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July 3, 1985

JUNE 1985 MONTHLY REPORT

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

OPTIMISM PERSISTS

- In the June 1985 survey, the Index of Consumer Sentiment was 96.5, up from 91.8 one month earlier, and just 4.5 Index-points below the 1984 cyclical peak of 101.0. The Index has remained at very favorable levels for over two years, with the June 1985 reading just above the 95.5 recorded in June 1984 and the 92.2 recorded in June 1983. This represents the longest period of sustained optimism since the 1960s. Recent declines in interest rates have heightened favorable buying attitudes and supported a more favorable outlook for the economy as a whole.

- Among families with incomes of $25,000 or more, the Index was 104.3 in the June 1985 survey, up from 100.3 in May, and nearly equal to the 104.5 recorded in June 1984.

- Lower interest rates and favorable perceptions of market prices have maintained buying attitudes at record favorable levels. In the June 1985 survey, two-thirds of all families favorably rated current buying conditions for homes, vehicles, and large household durables. The June improvement was concentrated in attitudes toward home buying conditions, with half of all families mentioning the current availability of reduced mortgage rates.

- Although consumers expected slow economic growth during the year ahead in the June survey, they expected it to be accompanied by low rates of inflation, and only lead to small increases in unemployment. This outlook for slow but sustained growth, given the economic turbulence of past years, has supported the view that good times financially would continue in the country as a whole.

- Consumers' evaluations of their personal financial situation remained at favorable levels in the June 1985 survey, despite slower income growth. Among all families, 43 percent reported financial improvement during the past year, and 36 percent expected improvement during the year ahead. Importantly, just 9 percent of all families expected their financial situation to worsen during the year ahead.

- A favorable financial situation coupled with declines in interest rates supported consumers' willingness to use credit to finance major purchases. In the second quarter of 1985, 30 percent of all families reported their willingness to use credit, the highest proportion in nearly a decade.

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The persistence of consumer sentiment at very favorable levels points toward the maintenance of consumer sales at high levels through the start of 1986. Recent declines in interest rates on vehicle and mortgage loans have reestablished buying attitudes to cyclical peak levels. And despite slower income growth, consumers remain willing to use accumulated savings as well as to incur new debt in order to make major purchases.

Monitoring Economic Change Program
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Lower Interest Rates
Lures Buyers

Declines in mortgage interest rates have prompted very favorable attitudes toward buying condition for homes. In the June 1985 survey, favorable home buying attitudes were held by 67 percent of all families, up from 61 percent one month earlier and 55 percent one year earlier. The 67 percent recorded in June set a new record level, just above the earlier record of 66 percent, first recorded in June 1983 and again in early 1984.

In support of these very favorable views, more families than ever before cited the current availability of lower interest rates on mortgage loans. In the June 1985 survey, 50 percent of all families spontaneously mentioned the availability of lower mortgage rates, up sharply from 35 percent one month earlier, and 21 percent one year earlier (see Table A). References to high mortgage rates as a cause for postponement fell to 17 percent in June 1985, from 33 percent one year earlier. And fewer families cited the advantages of borrowing-in-advance of rising mortgage rates in June 1985 (6 percent) than in June 1984 (17 percent).

Lower interest rates on vehicle loans have also kept car buying attitudes at very favorable levels. Among all families in the June 1985 survey, 67 percent held favorable car buying attitudes, just below the all-time peak of 68 percent recorded two months earlier. The availability of lower interest rates on vehicle loans was cited by 32 percent of all families in the June 1985 survey, up from 25 percent one month earlier and 12 percent one year earlier. Just 4 percent of all families complained about high interest rates on vehicle loans in the June 1985 survey, the lowest level recorded in more than five years.

In addition to favorable credit conditions, favorable perceptions of market prices for vehicles have also supported positive buying attitudes. In the June 1985 survey, references to the availability of price discounts were reported by 26 percent of all families, compared with 17 percent that registered complaints about high vehicle prices.

Favorable attitudes toward market conditions for large household durables were held by 74 percent of all families in the June 1984 survey, just below the record 77 percent recorded two months earlier. The primary factor underlying these very positive buying attitudes has been favorable perceptions of market prices for household durables. In the June 1985 survey, 39 percent of all families cited the availability of price discounts on household durables, up from 34 percent one month earlier. Just 10 percent of all families complained about high prices for household durables in the June survey.

Interest Rate Expectations Improve

The proportion of families that expected increases in interest rates during the year ahead fell to 36 percent in the June 1985 survey, from 64 percent one year earlier. Although increases in interest rates are much less frequently expected, more families now expect interest rates to remain at about current levels than expect declines during the year ahead. The proportion of families that expected interest rates to remain largely unchanged at current levels was 36 percent in June 1985 (up from 24 percent one year earlier), while interest rate declines were expected by 26 percent (up from 10 percent one year earlier).

Economic Outlook:
Slow growth, no recession

The majority of families in the June 1985 survey thought that the economy had improved during the past year (56 percent), and the majority expected the continuation of that same slow pace of economic growth during the year ahead (57 percent). Very few consumers expected overall declines in the general economy during the year ahead in the June 1985 survey (12 percent). Compared with the volatile economy of the 1970s, this outlook for slow but sustained economic growth was viewed by the majority as meaning good times financially would prevail for the economy as a whole during the year ahead (59 percent).

Underlying the positive evaluations of the general economy was the expected continuation of low rates of inflation, while the concerns expressed with slow economic growth primarily involved limited job prospects. On average, consumers expected an annual rate of inflation of 5.0% in the June 1985 survey, just above the 4.8% recorded one year earlier. Consumer price expectations have remained trendless, in the 4–5% range, for more than two years. The majority of consumers in the June 1985 survey (58 percent) as well as a year earlier (52 percent) expected the aggregate unemployment rate to remain at about its current level during the year ahead. Further declines in the unemployment rate were expected by only 16 percent of all families in the June 1985 survey, down from 24 percent one year earlier.

Personal Finances Remain Favorable

Slower income growth has caused personal financial attitudes to retreat by a small amount from the 1984 cyclical peaks, but they still remain more favorable than at the cyclical peak recorded in the late 1970s. Among all families in the June 1985 survey, 43 percent reported an improved financial situation, up from 40 percent in May, but below the 47 percent recorded one year earlier. A worsened financial situation was reported by 28 percent of all families in June 1985, up from 24 percent one month earlier and 21 percent one year earlier. When asked to explain how their financial situation had changed, the proportion of families that mentioned income increases rose to 35 percent from 32 percent one month earlier, but remained below the 39 percent recorded one year earlier. At the same time, reports of declines in family income rose to 16 from 14 percent.

The majority of families expected their financial situation to remain on balance unchanged during the year ahead in both the June 1985 and the June 1984 surveys (52 percent). An improved financial situation was expected by 36 percent of all families in the June 1985 survey, just above the 35 percent recorded one year earlier. Only 9 percent of all families expected their overall financial situation to worsen during the year ahead, down from 11 percent in June 1984.

The maintenance of personal finances at favorable levels, coupled with declines in interest rates have led consumers to be more willing to use credit to finance major purchases. In the second quarter 1985 surveys, 30 percent of all families reported that they were not reluctant to use credit, just above the 29 percent recorded one year earlier, and the highest level recorded in nearly a decade (see Table B). Willingness to use accumulated savings to make major purchases was reported by 40 percent of all families in the second quarter of 1985, just below the record 42 percent recorded one year earlier (see Table C).

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The June 1985 survey included 652 completed interviews, conducted between June 1 and June 26, 1985.

TABLE A

REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS

Survey Date	Durables		Houses[a]		Vehicles	
	Low Rates	BiA Rates	Low Rates	BiA Rates	Low Rates	BiA Rates
January 1980	1%	2%	na	na	1%	1%
February 1980	1	2	2	7	1	2
March 1980	1	4	na	na	1	2
April 1980	*	3	*	3	3	1
May 1980	*	2	3	3	*	1
June 1980	2	1	14	2	2	1
July 1980	4	1	17	6	2	1
August 1980	3	2	19	9	3	1
September 1980	1	2	11	11	2	2
October 1980	1	3	6	10	1	2
November 1980	*	2	2	8	1	2
December 1980	1	2	1	5	2	2
January 1981	*	2	1	3	4	1
February 1981	1	2	2	5	2	1
March 1981	1	*	1	4	1	1
April 1981	*	2	3	6	2	1
May 1981	1	2	4	3	3	1
June 1981	*	1	1	4	2	1
July 1981	1	1	2	4	2	1
August 1981	2	1	3	5	4	1
September 1981	*	1	3	3	4	2
October 1981	*	1	1	3	4	*
November 1981	1	1	2	2	5	*
December 1981	1	1	4	2	4	1
January 1982	2	1	5	3	4	2
February 1982	1	1	4	3	3	*
March 1982	*	1	3	2	3	*
April 1982	1	*	4	2	7	*
May 1982	2	1	3	3	10	1
June 1982	1	1	5	2	6	1
July 1982	1	1	2	2	4	1
August 1982	1	1	3	4	5	1
September 1982	3	1	16	4	9	1
October 1982	4	1	19	4	10	1
November 1982	5	*	25	5	19	1
December 1982	6	2	30	5	26	1

REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS

Survey Date	Durables		Houses[a]		Vehicles	
	Low Rates	BiA Rates	Low Rates	BiA Rates	Low Rates	BiA Rates
January 1983	7%	*	33%	4%	27%	2%
February 1983	7	1	35	5	34	1
March 1983	7	1	38	6	33	1
April 1983	12	2	46	8	38	2
May 1983	12	1	49	6	38	2
June 1983	13	3	49	12	38	2
July 1983	14	2	40	9	34	3
August 1983	11	1	33	11	30	3
September 1983	9	3	35	12	25	3
October 1983	6	1	29	9	17	2
November 1983	6	2	29	11	20	2
December 1983	6	1	30	11	16	3
January 1984	8	1	33	8	20	3
February 1984	9	2	38	12	19	3
March 1984	8	2	36	13	19	3
April 1984	8	6	29	23	15	7
May 1984	7	4	24	20	14	4
June 1984	7	4	21	17	12	6
July 1984	5	5	21	16	16	8
August 1984	6	2	22	13	12	5
September 1984	6	2	22	12	11	4
October 1984	7	4	24	11	10	4
November 1984	8	3	33	11	15	3
December 1984	8	2	32	6	12	3
January 1985	10	1	42	7	21	2
February 1985	9	2	42	8	23	1
March 1985	8	2	38	10	21	2
April 1985	10	3	34	13	22	3
May 1985	9	2	35	8	25	3
June 1985	11	2	50	6	32	3

*Less than 0.5 percent.

[a]Also includes homes, home repairs and real estate.

NOTE: The proportions given above provide greater detail than is reported in the monthly tables (see Tables 27, 29 and 31). The monthly tables report the total proportion of respondents that made favorable references to credit conditions. The figures above divide this total into those respondents that referred to the current availability of low interest rates, and those that referred to buying-in-advance of rising interest rates.

TABLE B

OPINIONS ABOUT WHETHER IT IS A GOOD TIME TO USE CREDIT FOR MAJOR PURCHASES

Survey Date	Use of Credit... OK; not reluctant	Pro-con	Not OK; reluctant	Don't know; NA	Total	# cases	Relative score
Jan-Mar 1976	20%	5%	74%	1%	100%	1184	46
Jan-Mar 1977	22	2	71	5	100	1203	51
Jan-Mar 1978	20	2	77	1	100	1135	43
Jan-Mar 1979	16	1	82	1	100	1228	34
Jan-Mar 1980	19	1	80	*	100	901	39
Jan-Mar 1981	12	*	86	2	100	2069	26
Jan-Mar 1982	13	1	85	1	100	2088	28
Jan-Mar 1983	17	1	79	3	100	1391	38
Jan-Mar 1984	29	*	69	2	100	2068	60
Apr-Jun 1984	29	*	69	2	100	1075	60
Jul-Sep 1984	27	*	72	1	100	2029	55
Oct-Dec 1984	27	1	71	1	100	2110	56
Jan-Mar 1985	28	*	71	1	100	1295	57
Apr-Jun 1985	30	*	69	1	100	1988	61

* Less than 0.5 percent.

The question was: "If there were something that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

TABLE C

OPINIONS ABOUT WHETHER IT IS A GOOD TIME TO USE SAVINGS FOR MAJOR PURCHASES

(Percentage distribution of families with savings)

Survey Date	Use of Savings... OK; not reluctant	Pro-con	Not OK; reluctant	Don't know; NA	Total	# cases	Relative score
Jan-Mar 1976	33%	6%	59%	2%	100%	1184	74
Jan-Mar 1977	37	3	56	4	100	1097	81
Jan-Mar 1978	32	3	62	3	100	1135	70
Jan-Mar 1979	32	3	63	2	100	1228	69
Jan-Mar 1980	38	1	54	7	100	901	84
Jan-Mar 1981	28	2	68	2	100	1955	60
Jan-Mar 1982	27	2	70	1	100	1945	57
Jan-Mar 1983	29	1	66	4	100	1275	63
Jan-Mar 1984	40	*	57	3	100	1906	83
Apr-Jun 1984	42	*	56	2	100	1921	86
Jul-Sep 1984	40	1	58	1	100	1876	82
Oct-Dec 1984	36	1	62	1	100	1926	74
Jan-Mar 1985	36	1	62	2	100	1189	74
Apr-Jun 1985	40	*	59	1	100	1852	81

* Less than 0.5 percent.

The question was: "If there were a major purchase that you wanted to make, do you think now is a time when it would be O.K. to use some of your savings or is now a time when you would be especially reluctant to use some of your savings?"

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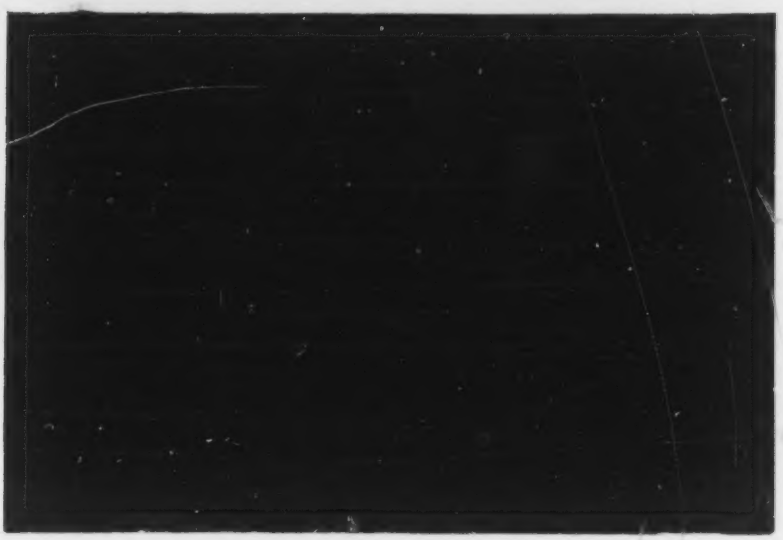
SURVEYS OF CONSUMER ATTITUDES



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TABLES AND CHARTS

JULY 1985

The July 1985 survey is the 202nd in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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TABLE OF CONTENTS

CHART/ TABLE	TITLE
1	THE INDEX OF CONSUMER SENTIMENT
2	INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS
3	COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
4	CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO
5	SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION
6	EXPECTED CHANGE IN FINANCIAL SITUATION
7	TREND IN PERSONAL FINANCIAL SITUATION
8	EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS
9	PAST CHANGE IN REAL FAMILY INCOME
10	EXPECTED CHANGE IN REAL FAMILY INCOME
11	TREND IN FAMILY INCOME AND PRICE COMPARISON
12	NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
13	SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
14	CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO
15	EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR
16	REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR
17	TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS
18	BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS
19	BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS
20	EXPECTED CHANGE IN UNEMPLOYMENT
21	EXPECTED CHANGE IN INTEREST RATES
22	CHANGE IN PRICES DURING THE LAST 12 MONTHS
23	EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS
24	UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP
25	OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY
26	BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
27	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
28	BUYING CONDITIONS FOR HOUSES
29	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES
30	BUYING CONDITIONS FOR CARS
31	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS
32	PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS
33	CURRENT VEHICLE PURCHASE INTENTIONS
34	FUTURE VEHICLE PURCHASE INTENTIONS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

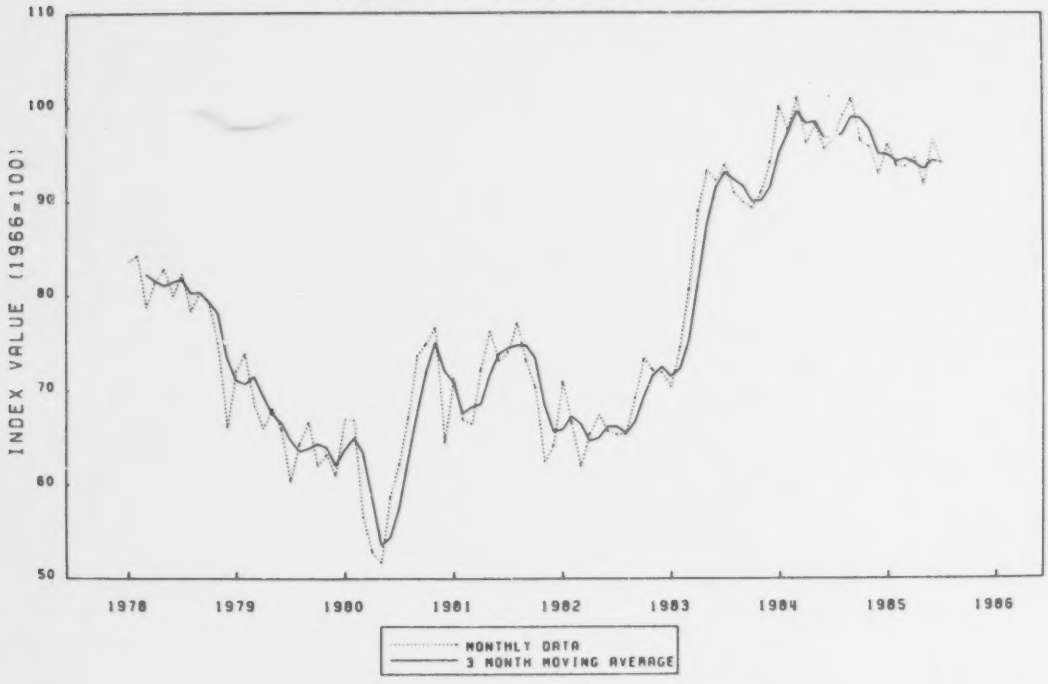


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

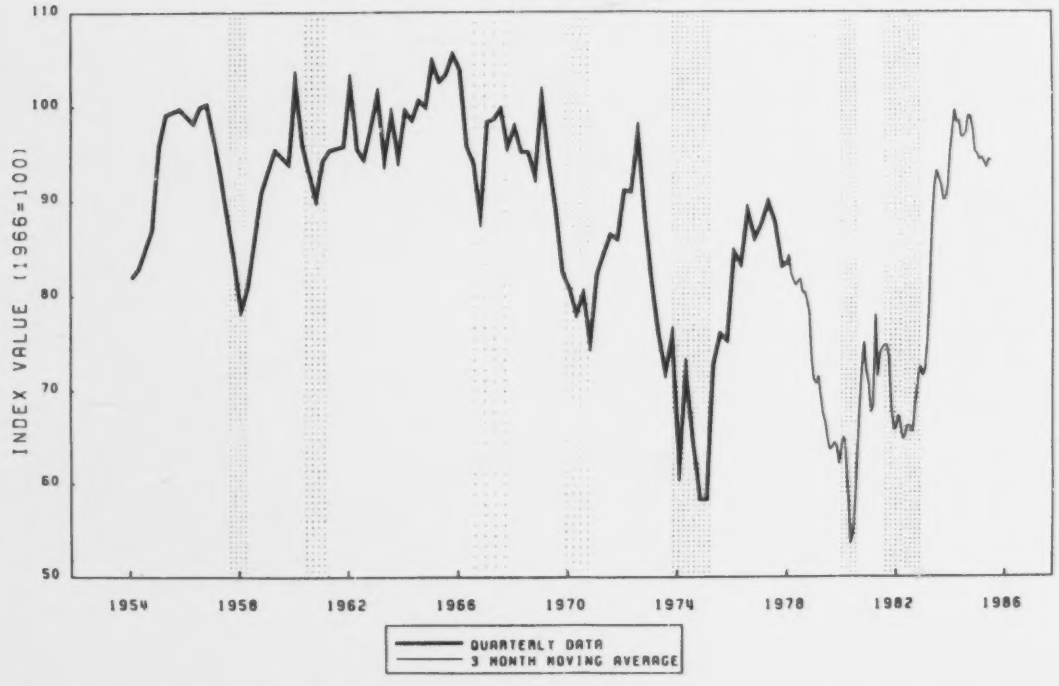


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $20,000	Families with incomes over $25,000
July	1982	65.4	68.9	69.2
August	1982	65.4	71.0	73.6
September	1982	69.3	78.4	81.1
October	1982	73.4	77.5	80.9
November	1982	72.1	79.3	81.1
December	1982	71.9	78.0	80.5
January	1983	70.4	78.2	78.8
February	1983	74.6	79.9	81.3
March	1983	80.8	88.4	88.9
April	1983	89.1	97.1	99.0
May	1983	93.3	99.6	101.0
June	1983	92.2	101.2	102.5
July	1983	93.9	104.4	106.5
August	1983	90.9	101.2	103.5
September	1983	89.9	99.0	102.3
October	1983	89.3	99.5	101.9
November	1983	91.1	97.2	98.8
December	1983	94.2	101.7	104.5
January	1984	100.1	112.0	114.2
February	1984	97.4	109.6	111.2
March	1984	101.0	110.9	114.2
April	1984	96.1	103.9	105.5
May	1984	98.1	105.6	107.1
June	1984	95.5	104.4	104.5
July	1984	96.6	103.2	102.8
August	1984	99.1	106.7	109.2
September	1984	100.9	109.7	111.7
October	1984	96.3	106.2	107.7
November	1984	95.7	108.6	111.0
December	1984	92.9	99.2	100.1
January	1985	96.0	104.1	106.7
February	1985	93.7	105.4	107.4
March	1985	93.7	106.5	108.8
April	1985	94.6	102.8	107.9
May	1985	91.8	99.5	100.3
June	1985	96.5	101.2	104.3
July	1985	94.0	100.0	102.6

CHART 2A - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

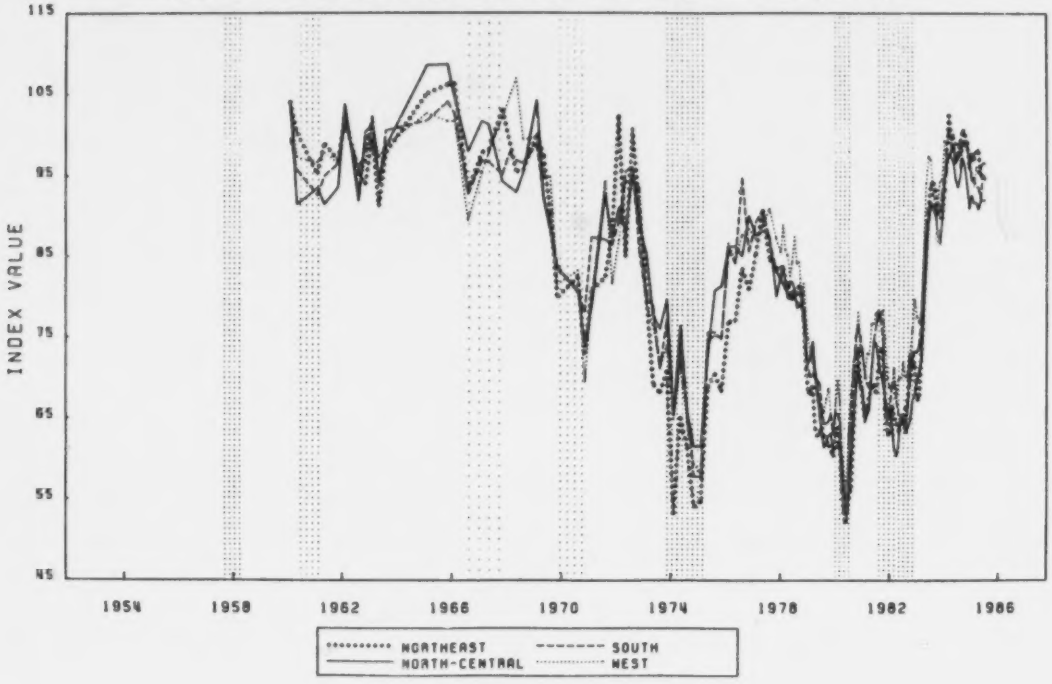


CHART 2B - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

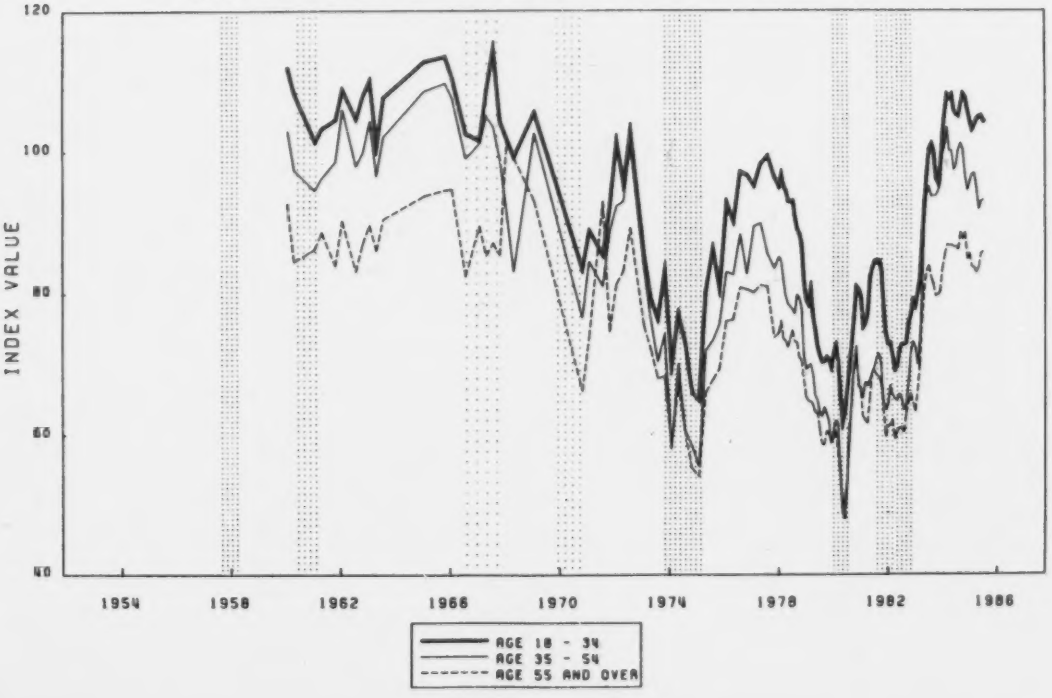


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
July	1982	65.1	64.0	63.5	71.1	73.4	63.3	60.6
August	1982	68.1	60.6	64.0	70.6	72.6	62.9	60.2
September	1982	70.3	67.2	71.1	68.8	73.0	66.7	68.0
October	1982	77.8	66.2	74.1	79.3	81.2	72.1	65.5
November	1982	70.6	67.9	73.2	79.3	76.6	75.7	63.8
December	1982	66.1	70.0	72.5	80.4	78.9	71.7	64.2
January	1983	64.9	70.5	73.6	72.8	78.8	70.0	62.0
February	1983	72.1	72.3	75.8	77.2	82.1	68.3	72.4
March	1983	82.9	73.7	82.7	84.4	84.9	81.5	75.5
April	1983	89.1	88.0	87.2	95.6	95.8	90.5	80.5
May	1983	88.3	90.7	93.3	102.7	97.2	97.1	84.9
June	1983	95.1	88.7	92.5	94.1	97.8	94.4	83.9
July	1983	98.3	93.8	89.9	94.3	106.0	93.6	83.0
August	1983	89.6	92.0	91.3	89.6	99.2	92.9	80.0
September	1983	92.6	87.8	89.3	90.8	94.8	94.5	80.9
October	1983	89.9	83.7	91.5	93.5	94.2	93.8	77.8
November	1983	87.7	88.3	91.5	98.5	97.2	94.6	80.7
December	1983	91.4	96.2	95.2	92.2	102.3	97.5	81.8
January	1984	100.7	96.8	97.5	107.5	107.9	106.0	87.4
February	1984	102.3	98.4	93.5	97.1	106.2	98.9	86.5
March	1984	104.8	98.5	102.1	97.5	109.9	105.2	86.6
April	1984	92.5	95.3	98.2	99.3	106.5	95.9	87.0
May	1984	98.8	96.3	96.5	103.9	107.5	98.8	86.6
June	1984	100.1	92.1	95.0	93.7	103.0	97.1	85.9
July	1984	94.3	92.5	100.5	99.3	104.9	98.2	87.1
August	1984	103.1	100.2	97.5	95.4	106.8	105.3	85.2
September	1984	105.0	99.3	99.7	99.9	108.5	99.9	93.3
October	1984	92.5	89.4	100.9	101.7	108.9	95.5	84.2
November	1984	100.3	93.3	95.6	94.1	105.5	94.0	88.1
December	1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January	1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February	1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March	1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April	1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May	1985	88.7	94.0	91.9	91.3	103.2	87.9	84.6
June	1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July	1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

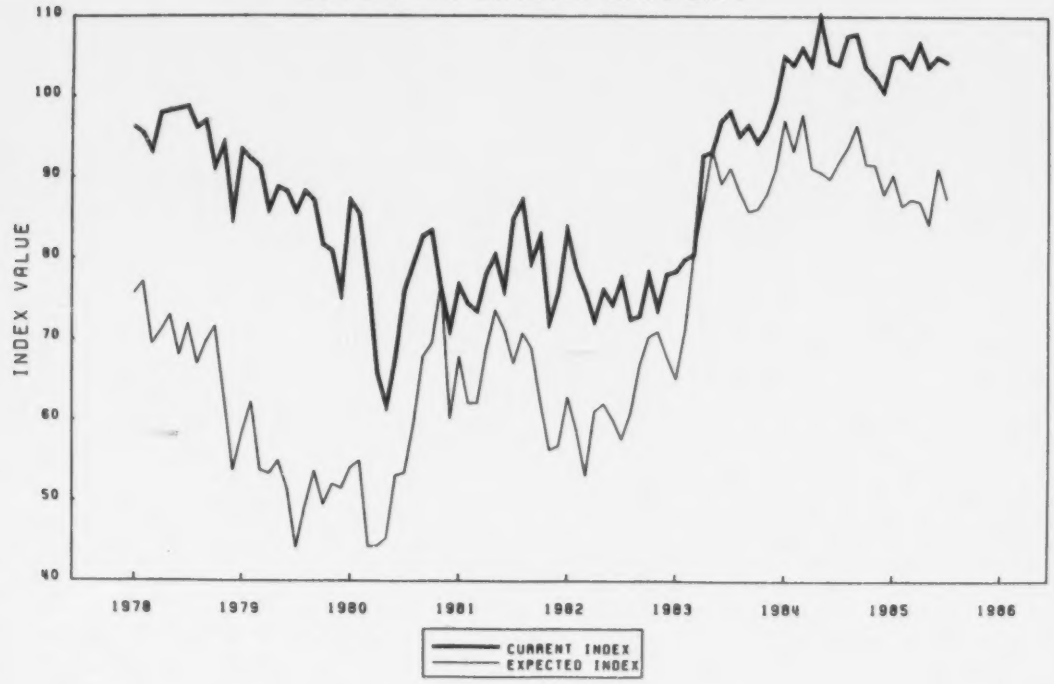


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

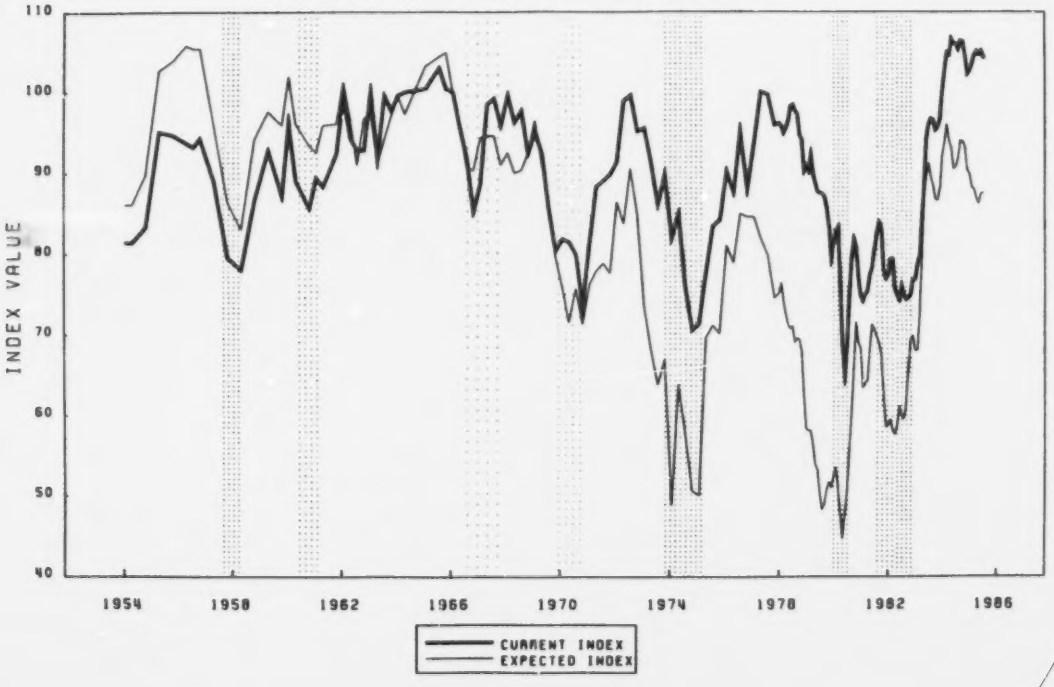


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
July 1982	90	113	53	63	110	77.5	57.6
August 1982	89	110	64	69	97	72.5	60.9
September 1982	89	116	76	74	98	72.9	66.9
October 1982	95	119	79	83	106	78.1	70.4
November 1982	85	121	77	86	105	73.8	71.0
December 1982	90	117	74	80	111	78.1	67.9
January 1983	91	115	76	69	111	78.4	65.2
February 1983	89	117	87	81	117	79.9	71.2
March 1983	92	126	113	85	115	80.5	80.9
April 1983	108	131	120	99	131	92.7	86.9
May 1983	101	137	139	100	139	93.1	93.4
June 1983	110	128	134	97	141	96.9	89.2
July 1983	111	126	136	104	143	98.1	91.1
August 1983	106	124	130	100	140	95.1	88.2
September 1983	109	125	125	95	140	96.4	85.8
October 1983	104	124	124	98	140	94.3	86.1
November 1983	111	127	129	98	138	96.1	87.9
December 1983	123	125	140	102	134	99.3	91.0
January 1984	117	129	154	108	155	104.9	97.0
February 1984	119	130	139	106	151	103.9	93.2
March 1984	122	135	146	113	153	106.0	97.7
April 1984	117	124	136	106	153	103.9	91.1
May 1984	121	129	131	105	164	109.8	90.6
June 1984	126	124	131	106	145	104.4	89.8
July 1984	117	124	133	113	152	103.9	91.9
August 1984	125	129	137	111	153	107.5	93.7
September 1984	125	131	142	116	154	107.8	96.4
October 1984	118	127	134	107	150	103.6	91.6
November 1984	121	129	132	107	144	102.4	91.5
December 1984	118	125	131	98	143	100.6	87.9
January 1985	119	124	135	104	153	104.9	90.3
February 1985	115	120	131	96	158	105.1	86.5
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

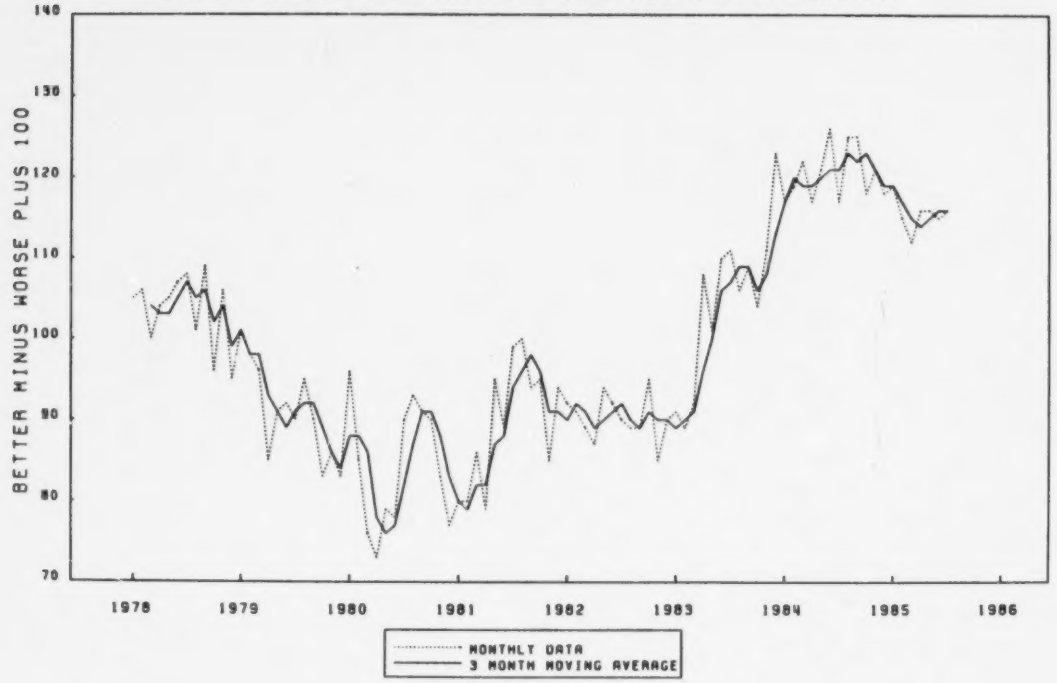


CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

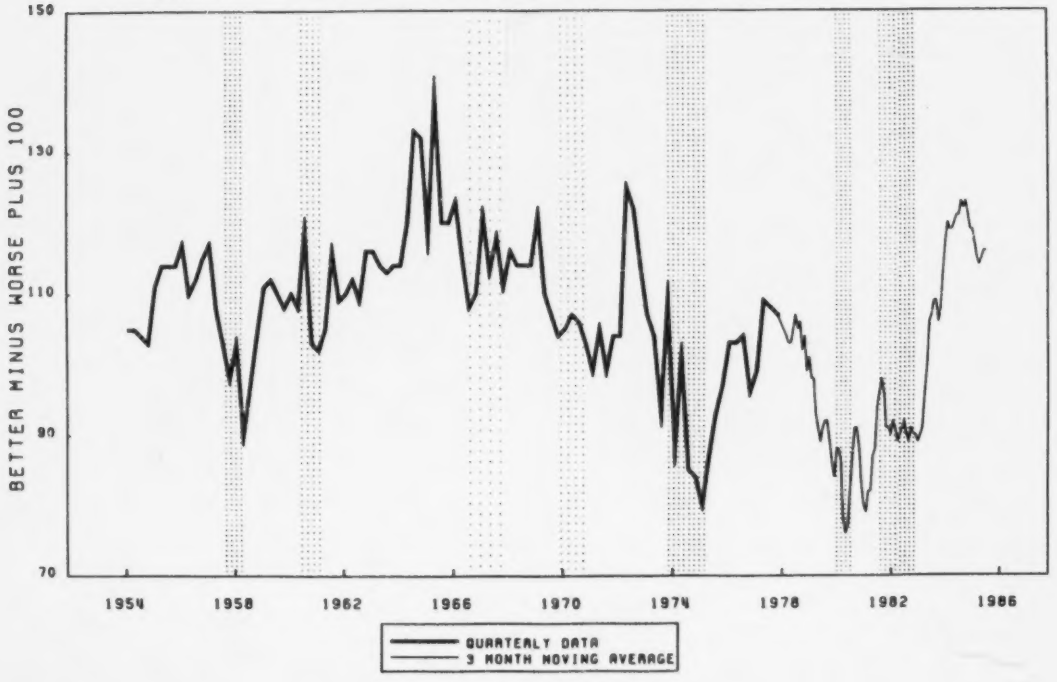


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
BETTER OFF	42%	48%	45%	44%	46%	44%	42%	42%	40%	41%	40%	43%	42%
SAME	33	29	35	30	29	30	35	31	32	34	36	29	32
WORSE OFF	25	23	20	26	25	26	23	27	28	25	24	28	26
DK,NA	*	*	*	*	*	*	*	*	*	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

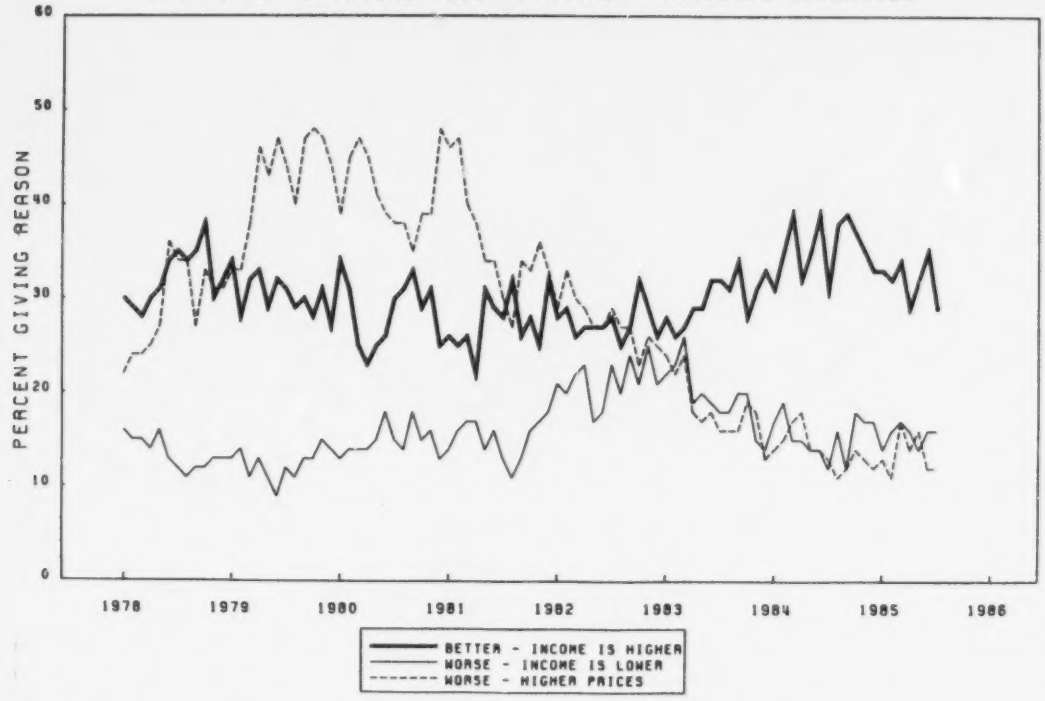


CHART 5 - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

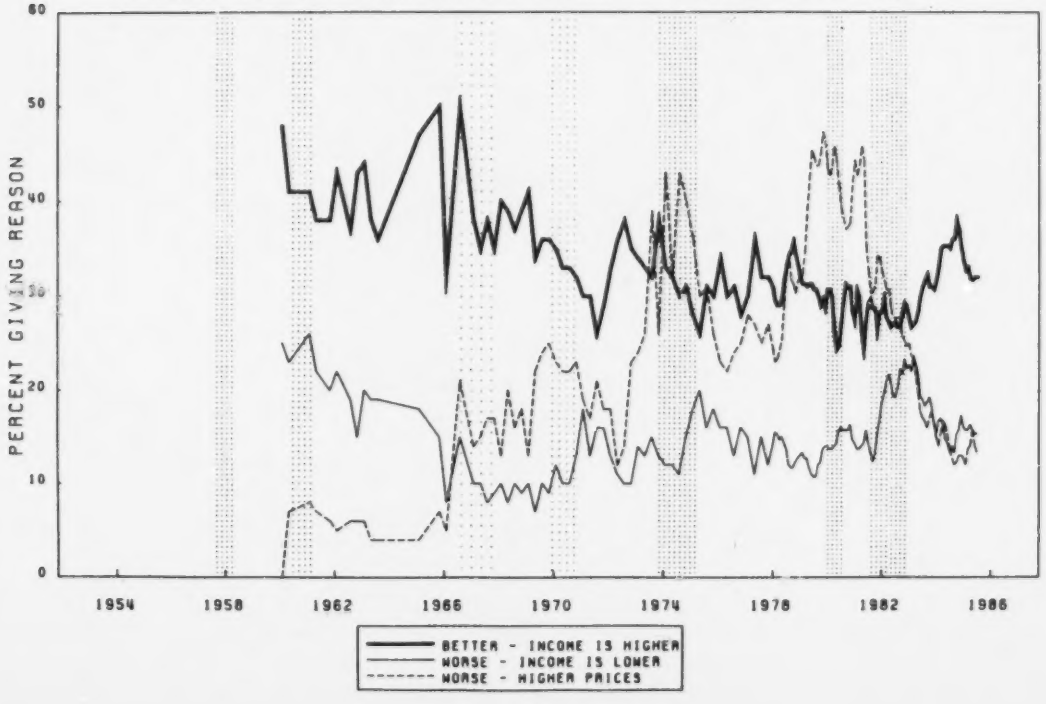


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
BETTER OFF THAN YEAR AGO:													
Income is higher	31%	38%	39%	37%	35%	33%	33%	32%	34%	29%	32%	35%	29%
WORSE OFF THAN YEAR AGO:													
Income is lower	12	16	12	18	17	17	14	16	17	16	14	16	16
Higher prices	13	11	12	14	13	12	13	11	17	14	16	12	12

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES

EXPECTED CHANGE IN FINANCIAL SITUATION

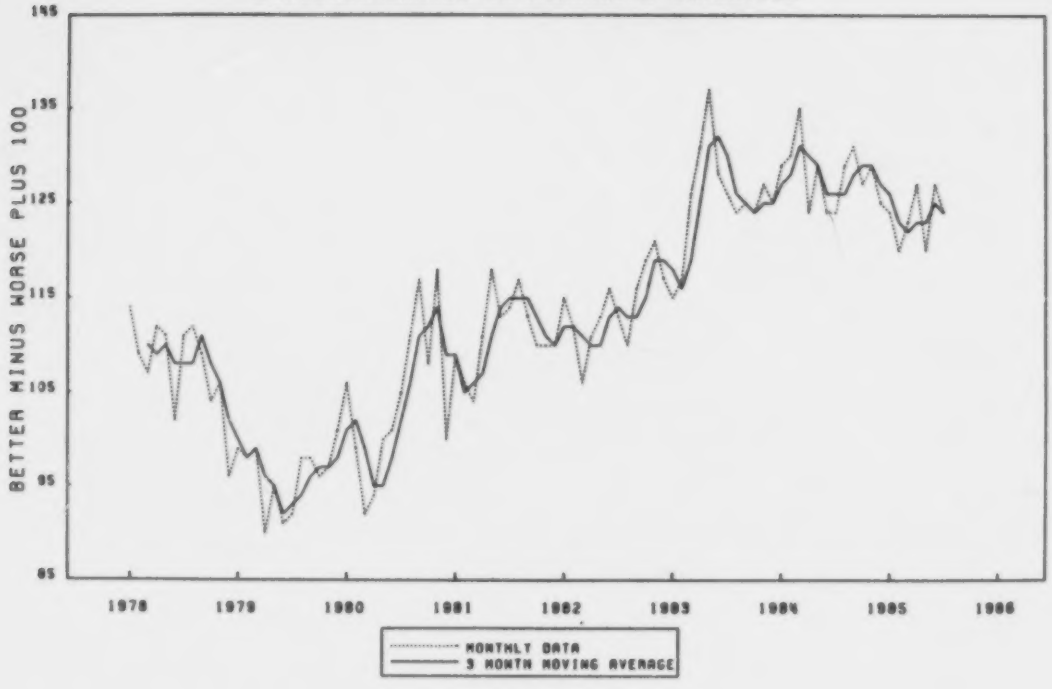


CHART 6 - HISTORICAL SERIES

EXPECTED CHANGE IN FINANCIAL SITUATION

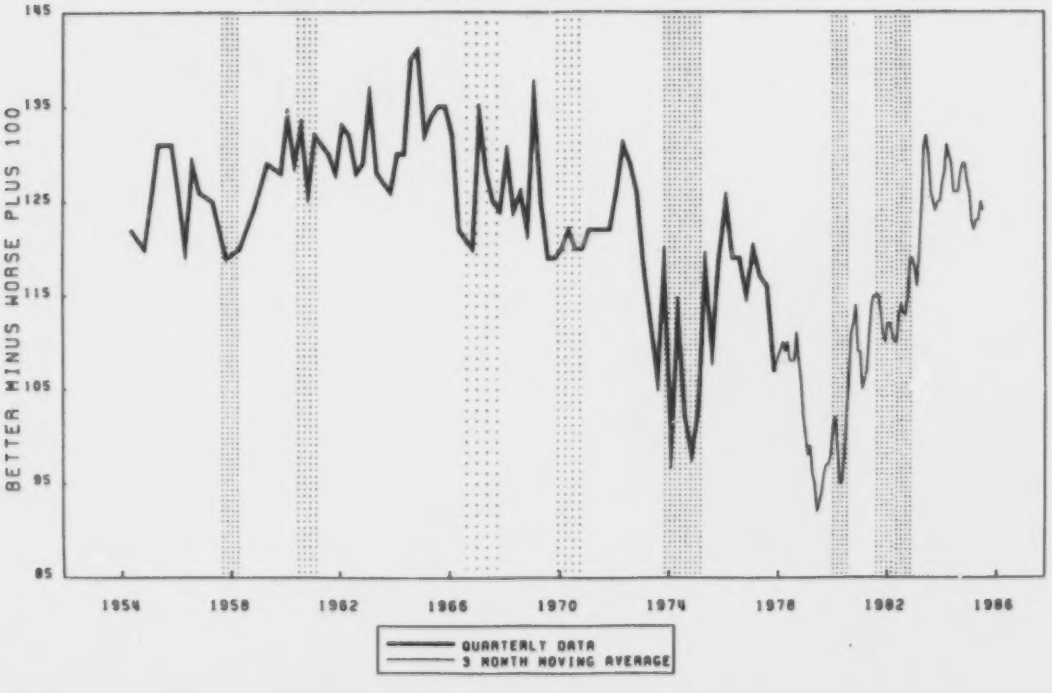


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
BETTER OFF	34%	38%	39%	38%	39%	36%	35%	33%	36%	37%	34%	36%	35%
SAME	51	49	49	47	48	50	52	50	49	49	49	52	51
WORSE OFF	10	9	8	11	10	11	11	13	13	10	14	9	11
DK,NA	5	4	4	4	3	3	2	4	2	4	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES

TREND IN PERSONAL FINANCIAL SITUATION

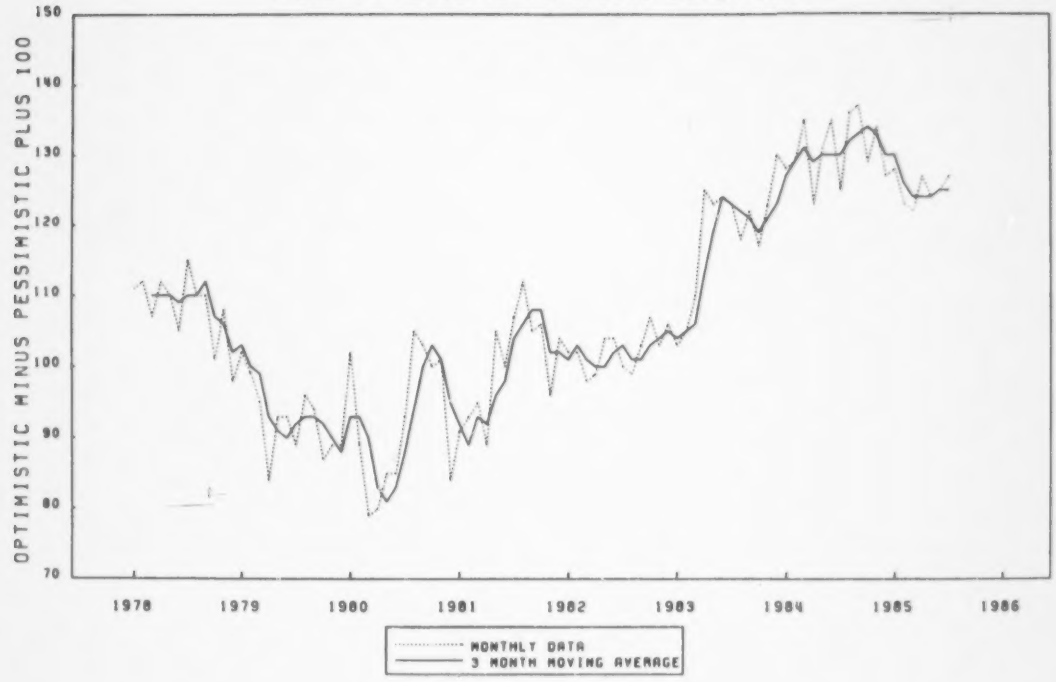


CHART 7 - HISTORICAL SERIES

TREND IN PERSONAL FINANCIAL SITUATION

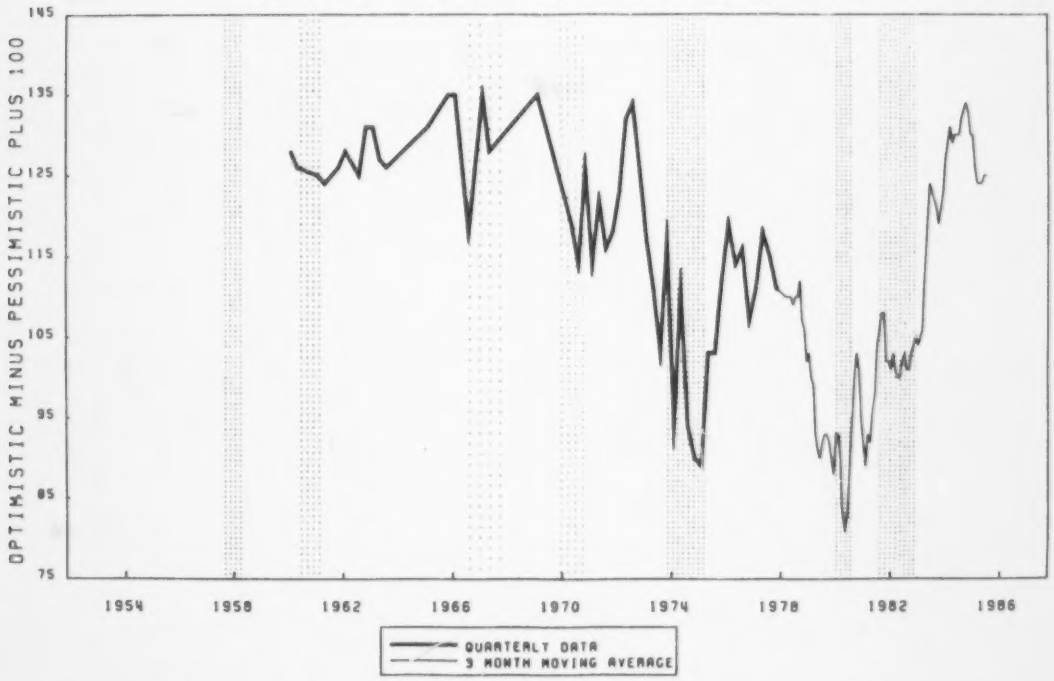


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	22%	24%	25%	21%	21%	23%	19%	20%	20%	22%	20%	22%	20%
Intermittent increase (b)	24	30	28	28	32	25	28	24	26	26	26	25	26
Remain unchanged (c)	21	17	20	17	15	19	22	20	18	20	21	19	21
Intermittent decline (d)	16	13	12	15	14	15	15	15	18	16	16	17	13
Continuous decline (e)	5	5	4	5	5	6	4	6	6	5	6	5	6
Mixed change (f)	7	8	7	10	10	9	9	12	10	8	8	9	10
DK,NA	5	3	4	4	3	3	3	3	2	3	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

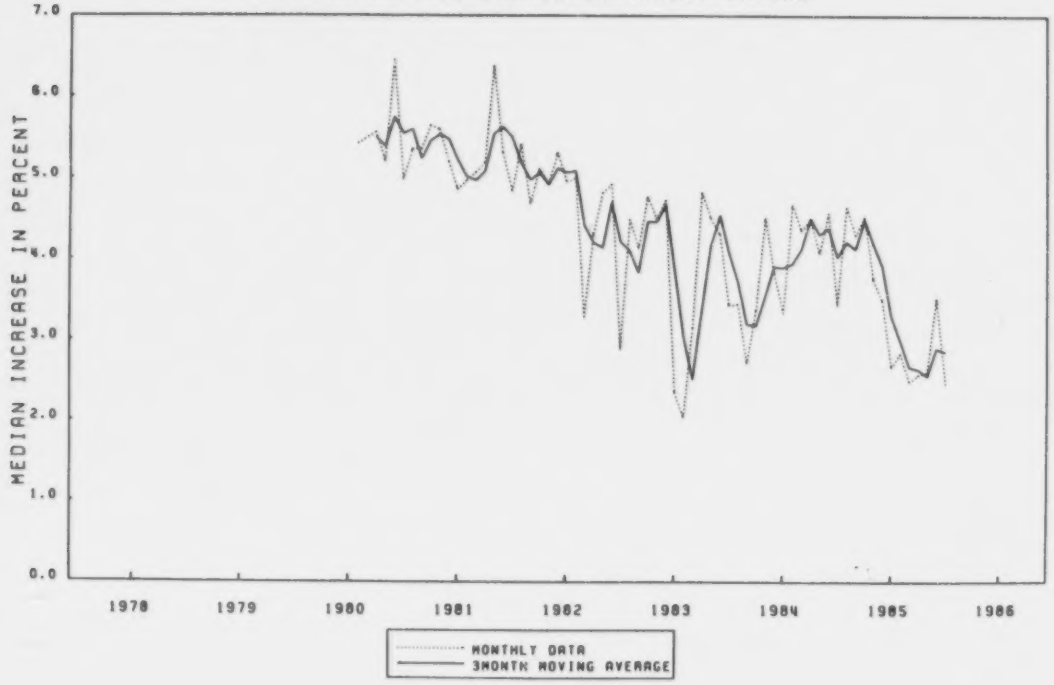


CHART 8 - HISTORICAL SERIES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

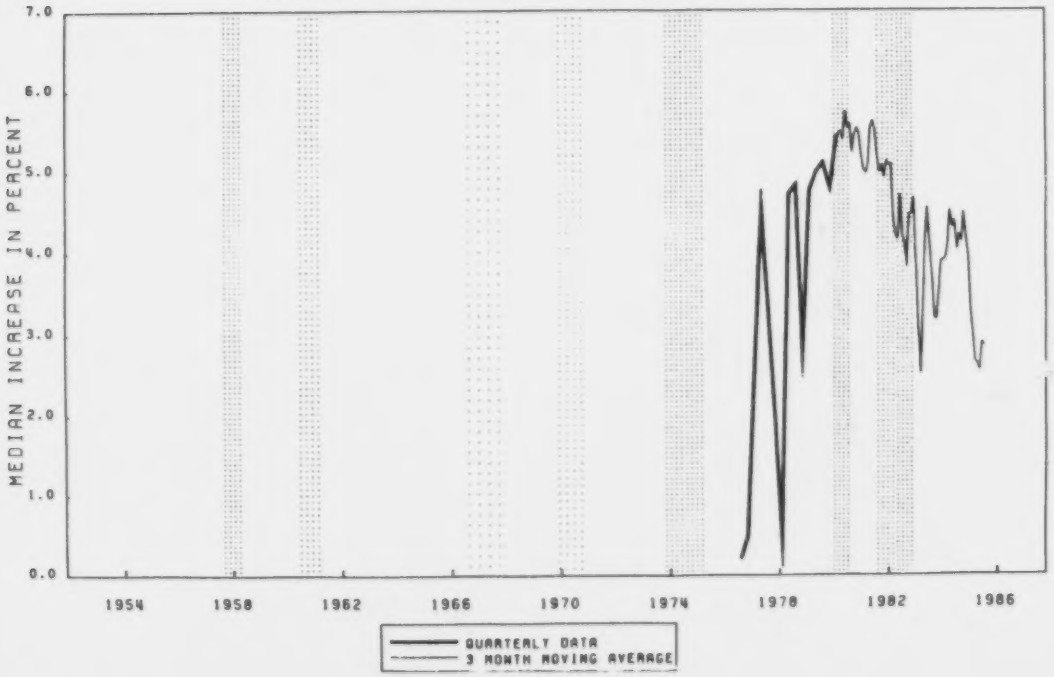


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
EXPECT INCREASE:													
1-4%	17%	13%	15%	10%	13%	12%	12%	14%	12%	11%	16%	11%	13%
5%	12	11	10	10	9	10	9	11	11	9	9	11	11
6-9%	8	11	10	8	7	8	9	6	7	7	5	7	7
10-24%	17	18	18	20	19	17	17	16	13	17	16	16	14
25% or more	6	7	7	8	8	7	6	7	8	8	7	10	6
DK how much up	4	3	4	5	6	7	3	3	4	3	4	4	3
EXPECT SAME	23	24	23	25	23	23	27	26	29	30	28	26	28
EXPECT DOWN	11	11	11	12	13	15	16	16	15	14	13	14	16
DK,NA	2	2	2	2	2	1	1	1	1	1	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

CHART 9 - HISTORICAL SERIES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

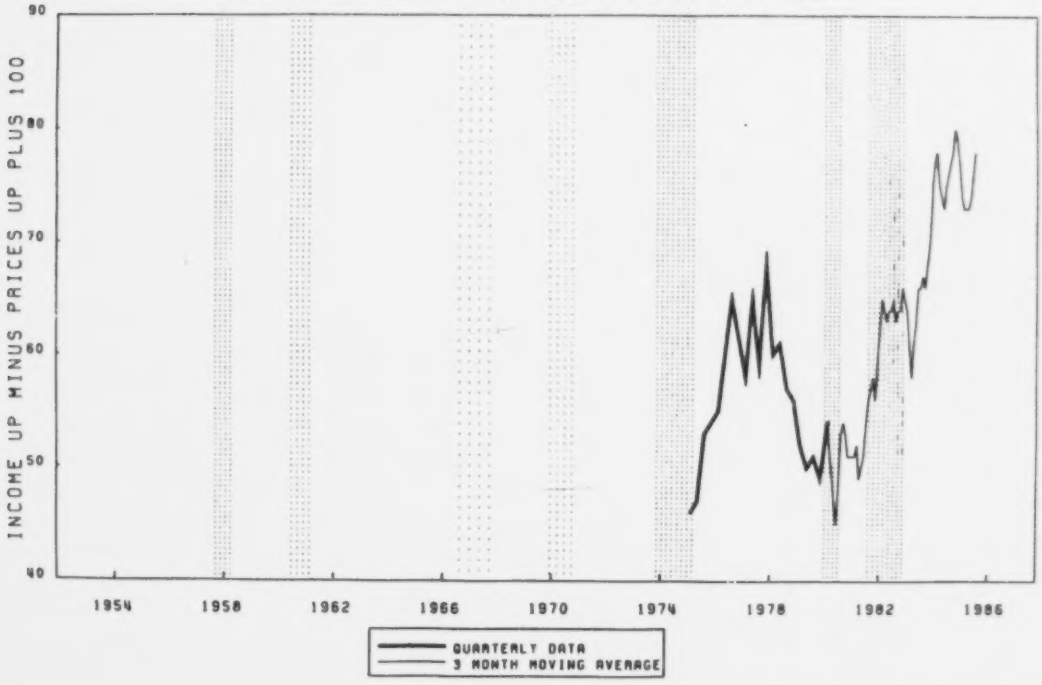


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
INCOME UP MORE	21%	21%	22%	25%	21%	19%	16%	19%	19%	18%	22%	22%	19%
INCOME UP SAME	33	34	36	31	31	35	40	34	35	34	32	35	36
PRICES UP MORE	45	43	42	42	46	45	43	46	45	47	45	41	44
DK,NA	1	2	*	2	2	1	1	1	1	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES

INCOME OR PRICES UP MORE NEXT YEAR

CHART 10 - HISTORICAL SERIES

INCOME OR PRICES UP MORE NEXT YEAR

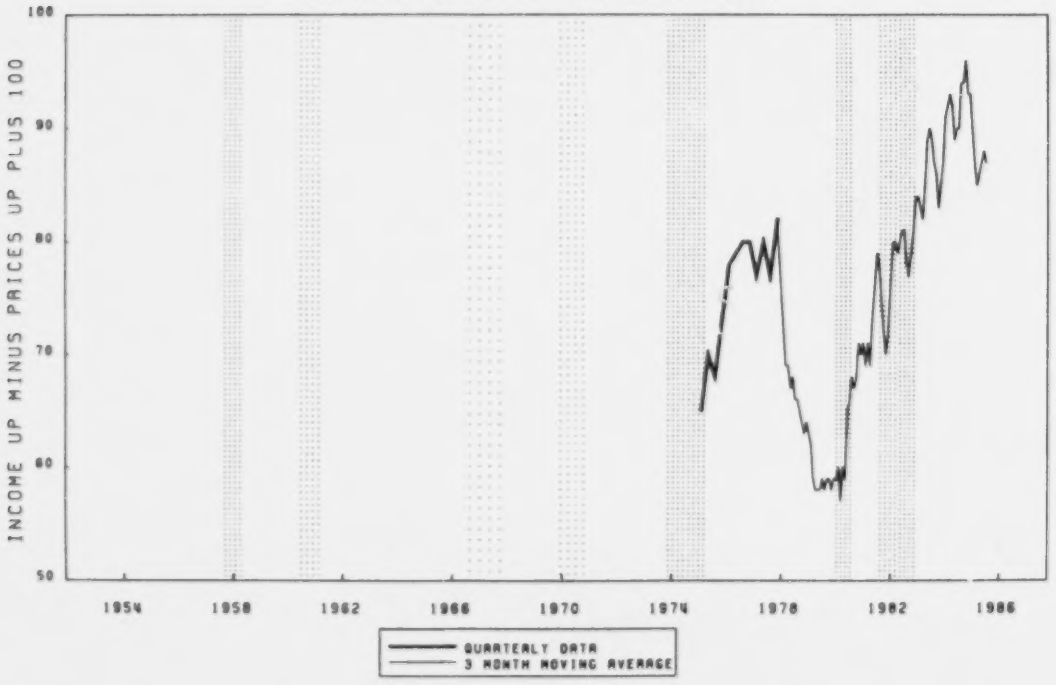


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
INCOME UP MORE	22%	25%	23%	25%	23%	21%	20%	20%	18%	23%	22%	19%	19%
INCOME UP SAME	41	45	44	43	44	46	45	40	49	42	39	48	47
PRICES UP MORE	33	26	30	30	31	30	33	38	32	32	37	30	32
DK,NA	4	4	3	2	2	3	2	2	1	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

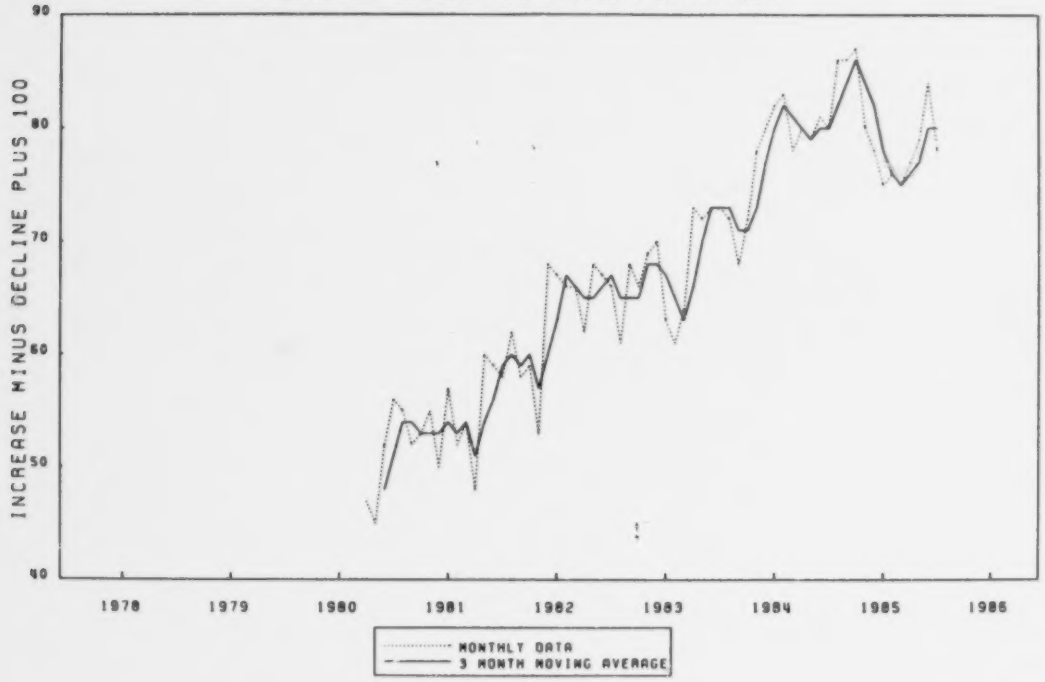


CHART 11 - HISTORICAL SERIES
TREND IN INCOME AND PRICE COMPARISON

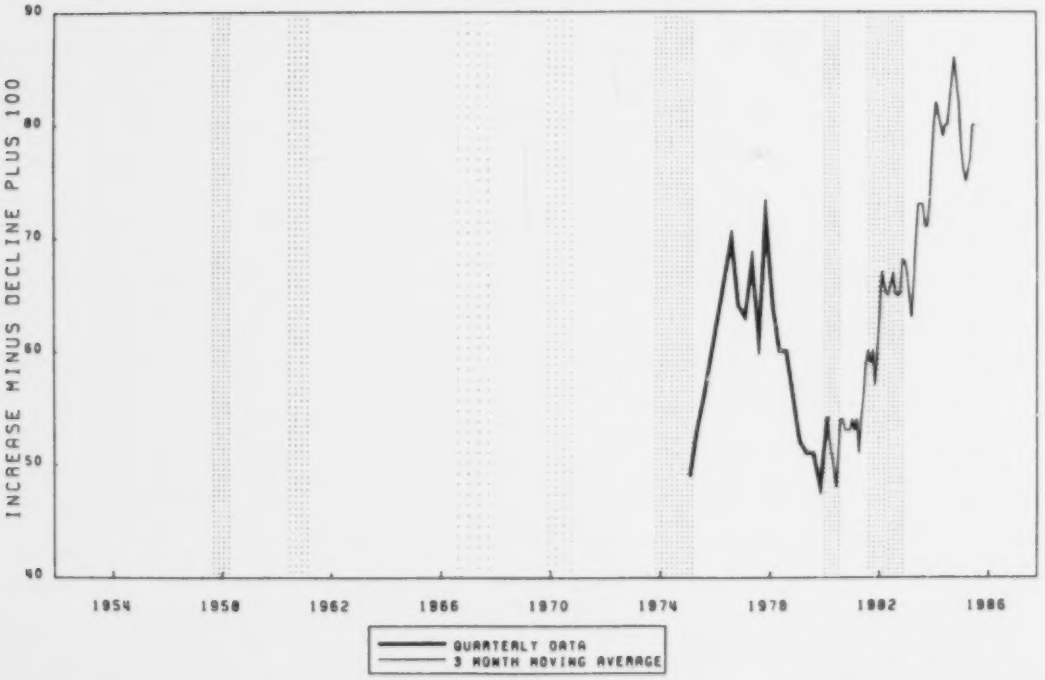


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	July 1984	Aug 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
REAL INCOME PROGRESS:													
Continuous increase (a)	10%	12%	12%	14%	12%	10%	8%	10%	9%	11%	12%	9%	8%
Intermittent increase (b)	14	15	16	14	14	1[illegible]	13	14	14	11	13	17	14
Remain unchanged (c)	20	21	22	20	19	23	24	20	23	22	20	22	24
Intermittent decline (d)	20	22	20	18	22	22	23	19	24	20	18	20	21
Continuous decline (e)	24	19	22	23	24	22	23	29	24	25	28	22	23
Mixed change (f)	8	6	5	7	6	8	6	6	4	7	7	6	7
DK,NA	4	5	3	4	3	3	3	2	2	4	2	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

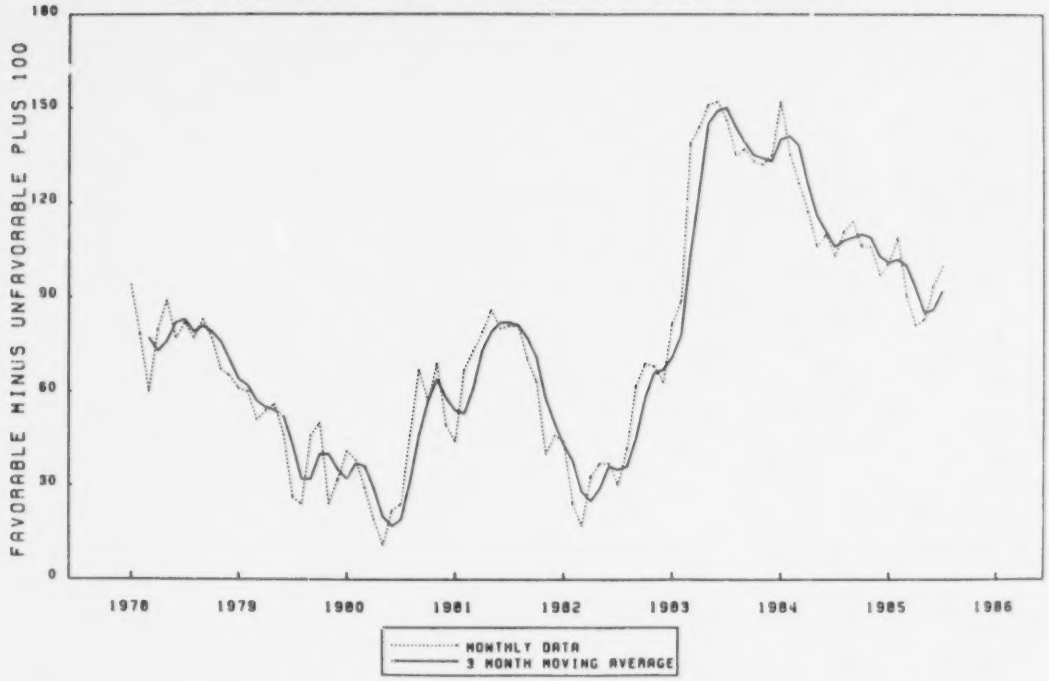


CHART12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

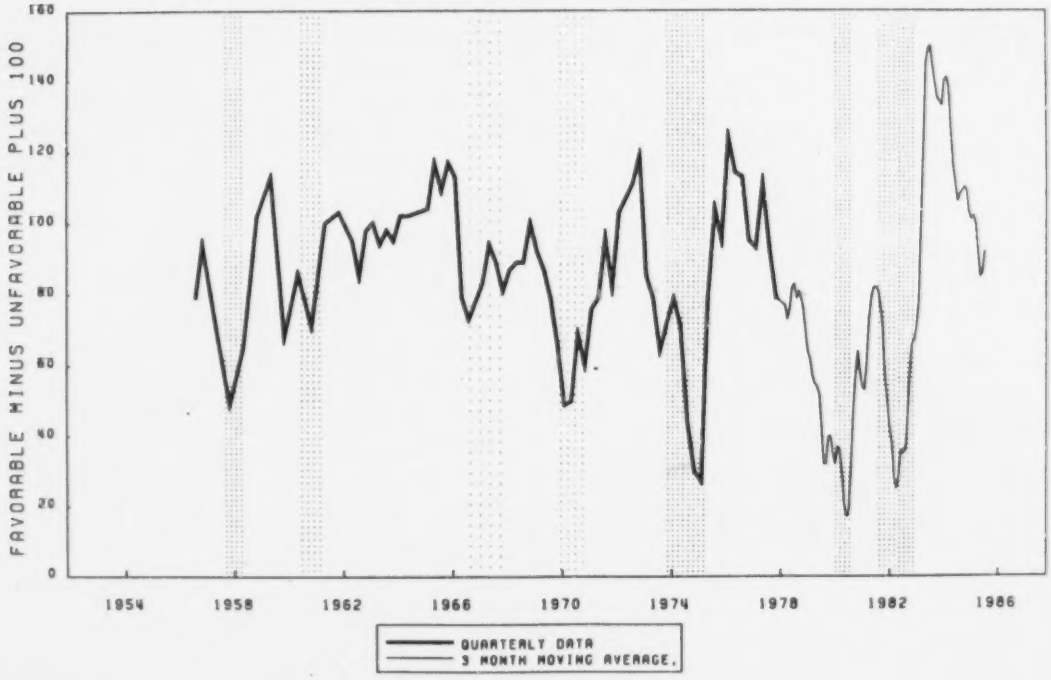


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
FAVORABLE NEWS	42%	51%	52%	44%	41%	39%	43%	50%	35%	30%	30%	37%	40%
UNFAVORABLE NEWS	39	40	38	38	35	42	42	41	45	49	47	43	40
NO MENTIONS	46	39	41	44	49	46	44	41	48	49	48	50	46

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

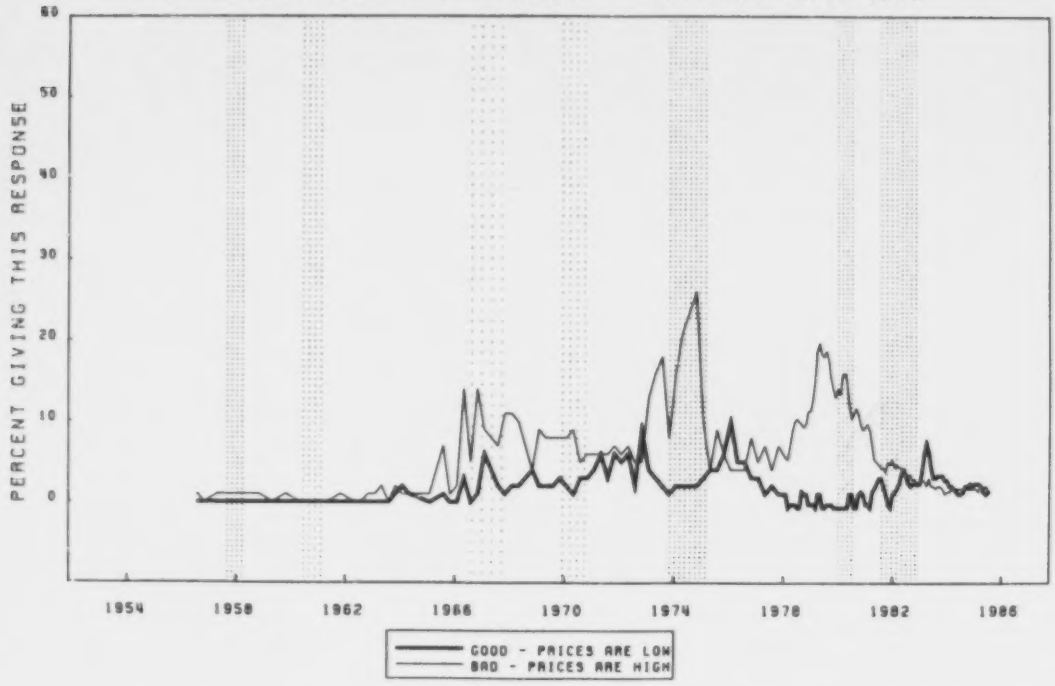


CHART 13B - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

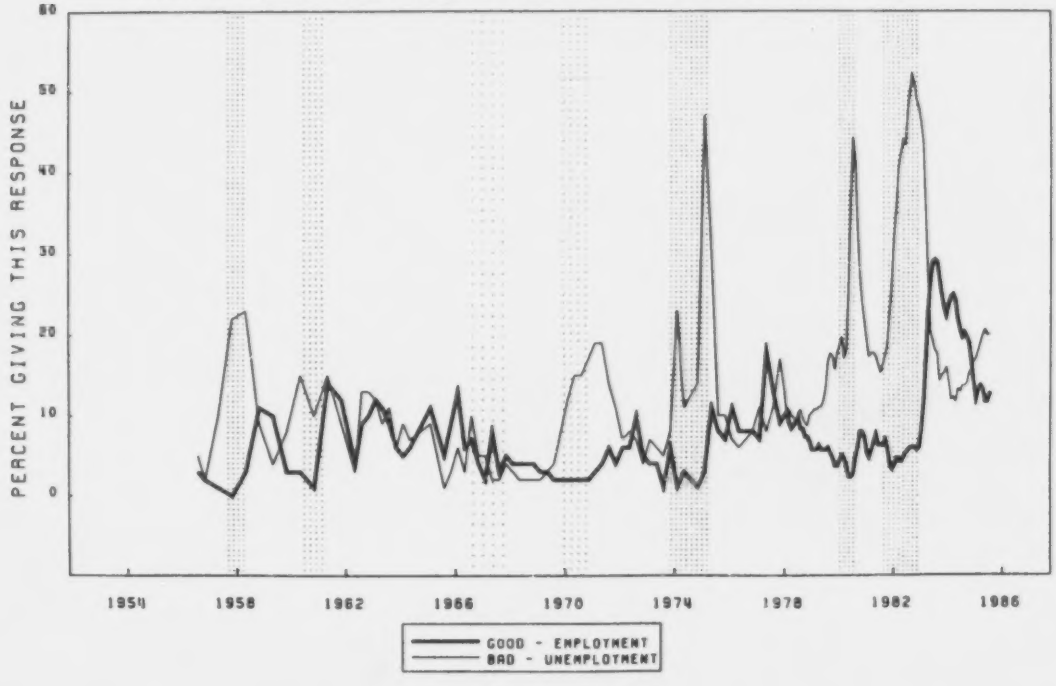


TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
FAVORABLE NEWS:													
Government; elections	2%	2%	3%	1%	2%	3%	4%	3%	2%	1%	2%	5%	2%
Employment	20	20	19	18	13	11	12	17	12	11	12	12	14
Consumer demand high	4	7	7	5	4	5	5	5	5	3	3	4	3
Prices are low	1	2	3	1	3	2	2	3	2	1	1	1	2
Credit is easy	2	4	3	4	8	9	10	9	5	4	3	7	10
UNFAVORABLE NEWS:													
Government; elections	4	4	4	3	3	6	5	6	5	5	4	6	4
Unemployment	13	15	14	17	16	17	18	19	20	21	21	18	21
Consumer demand low	2	2	2	1	2	3	3	3	2	3	3	3	2
Prices are high	1	2	2	1	2	2	1	2	1	2	2	2	1
Credit is tight	13	9	6	5	3	2	2	1	2	2	2	1	1
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

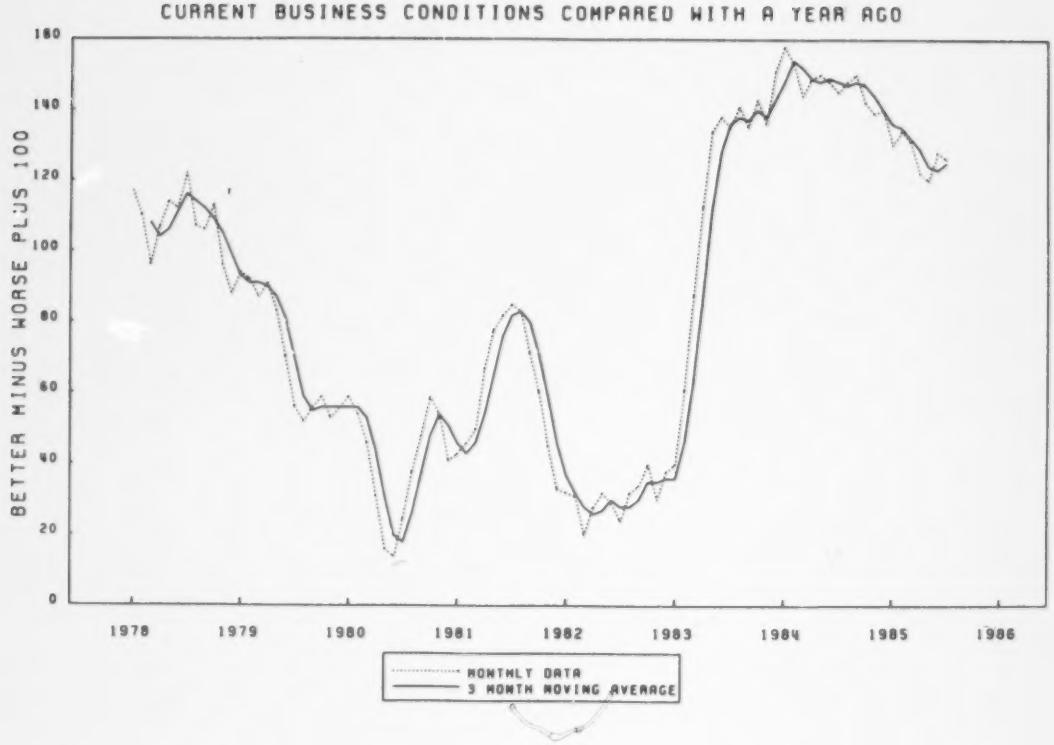


CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

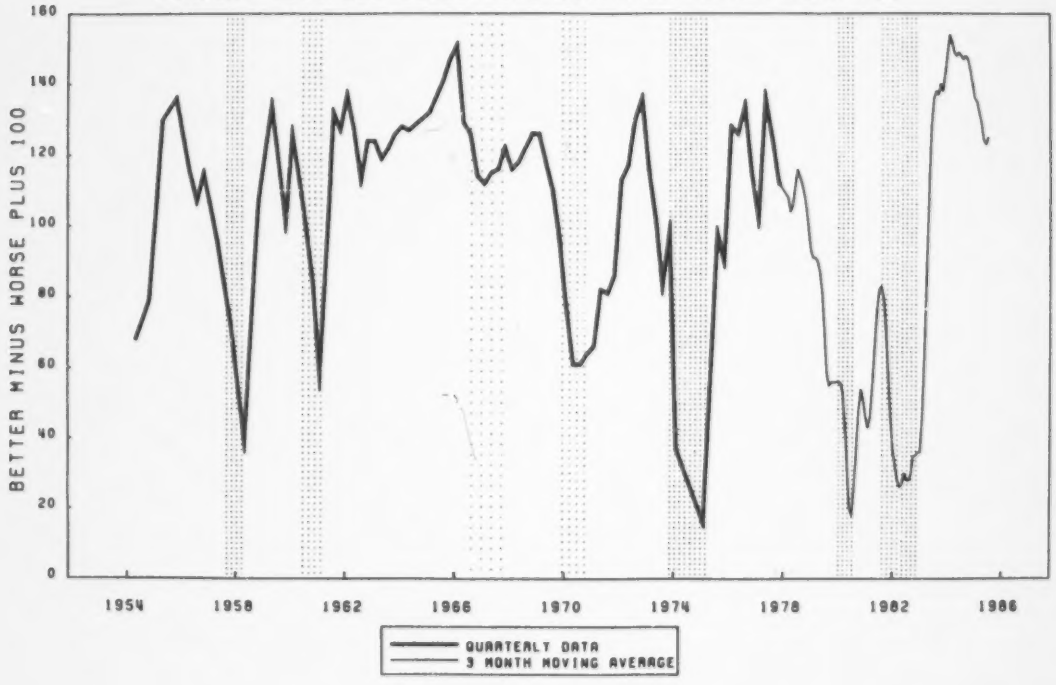


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
BETTER NOW	67%	68%	68%	65%	63%	63%	57%	60%	57%	51%	53%	56%	56%
SAME	9	11	12	10	12	13	14	12	15	17	13	14	13
WORSE NOW	22	20	18	23	24	23	27	26	26	29	33	28	30
DK,NA	2	1	2	2	1	1	2	2	2	3	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

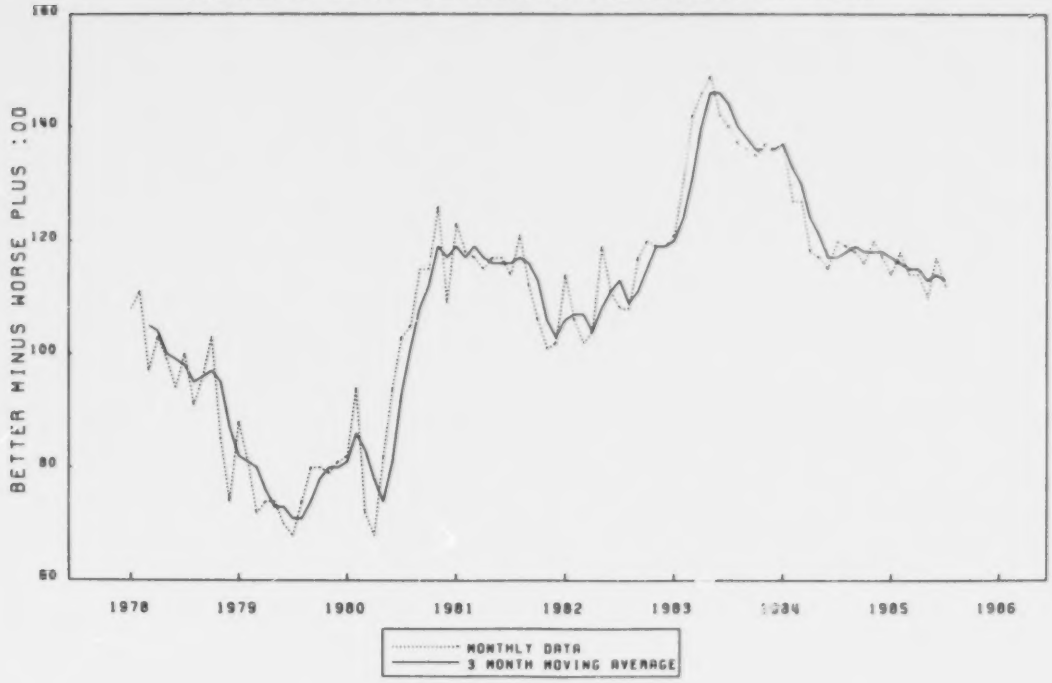


CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

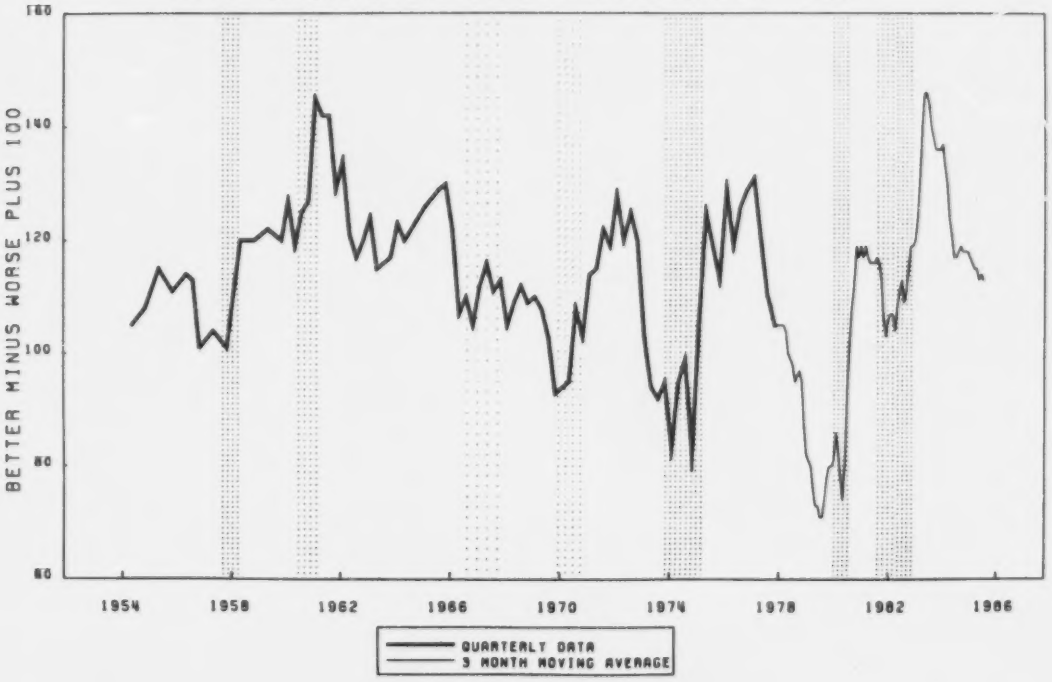


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
BETTER	32%	33%	33%	32%	35%	33%	29%	33%	29%	29%	27%	29%	26%
SAME	51	49	48	49	48	47	55	50	53	53	54	57	57
WORSE	12	14	15	16	15	16	15	15	15	15	17	12	14
DK,NA	5	4	4	3	2	4	1	2	3	3	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 16A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

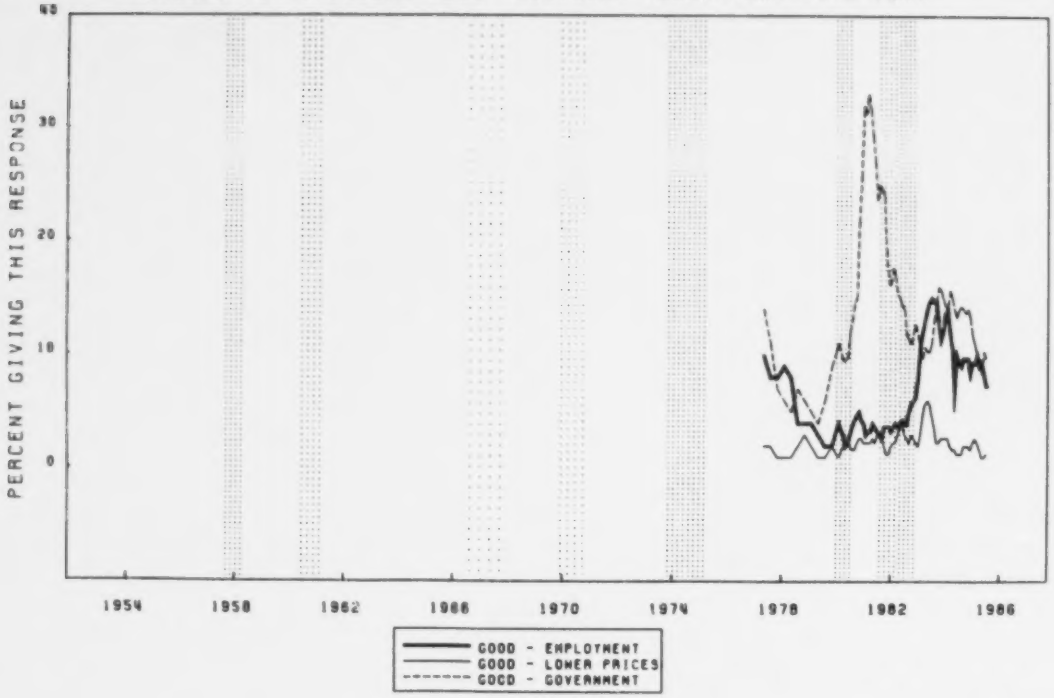


CHART 16B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

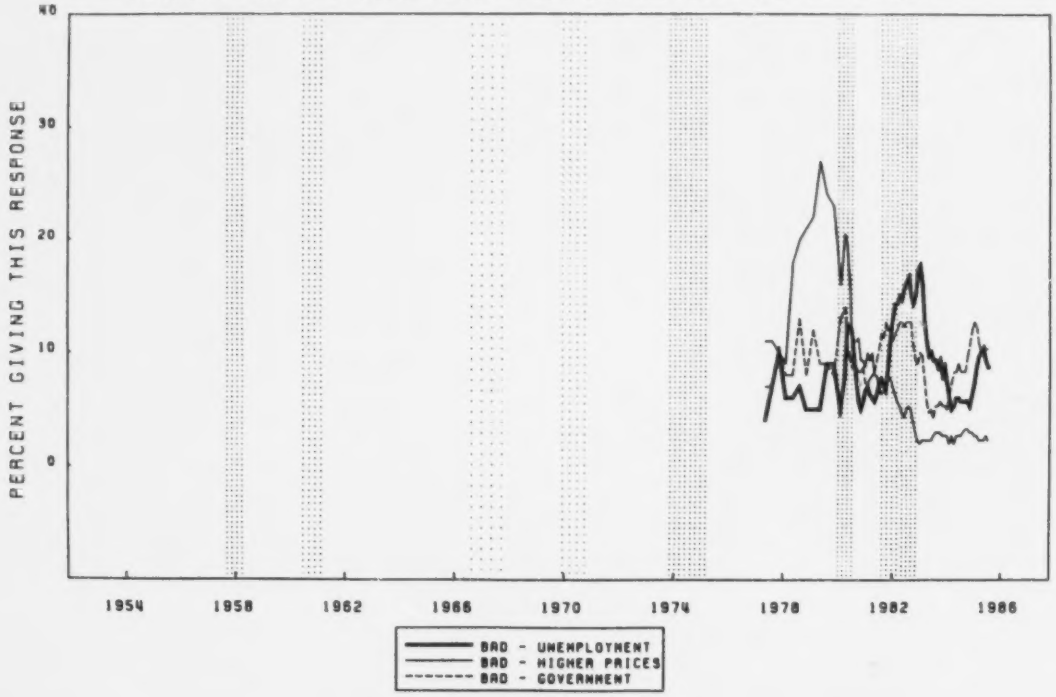


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
FAVORABLE REASONS:													
Government; elections	15%	13%	14%	14%	14%	12%	9%	12%	8%	9%	8%	14%	7%
Employment	9	8	12	9	8	8	12	8	10	9	9	7	6
Higher consumer demand	5	5	2	2	5	4	4	4	5	5	4	5	2
Lower prices	1	2	3	1	2	2	3	3	1	1	1	1	2
Easier credit	4	4	4	3	5	6	4	4	4	3	2	6	5
UNFAVORABLE REASONS:													
Government; elections	5	9	11	9	12	15	11	11	10	9	13	9	9
Unemployment	6	6	5	6	5	8	9	9	11	10	10	8	8
Lower consumer demand	2	3	2	2	3	4	2	2	4	4	4	2	2
Higher prices	3	4	3	3	3	3	2	3	2	2	3	3	1
Tighter credit	7	5	4	4	3	3	4	3	2	2	1	1	1
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

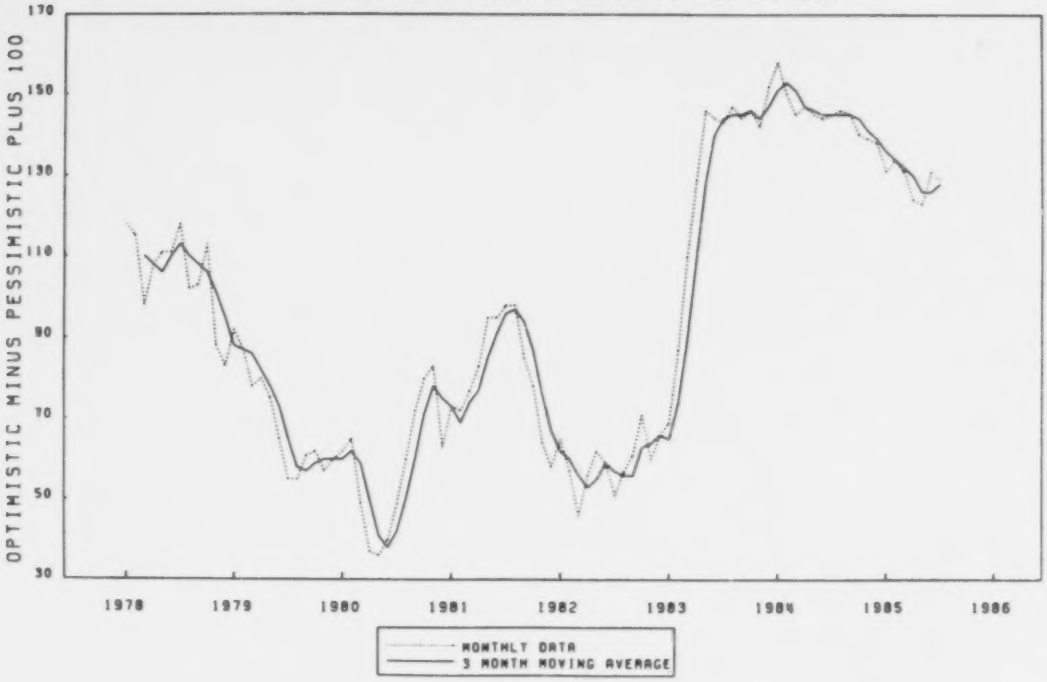


CHART 17 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

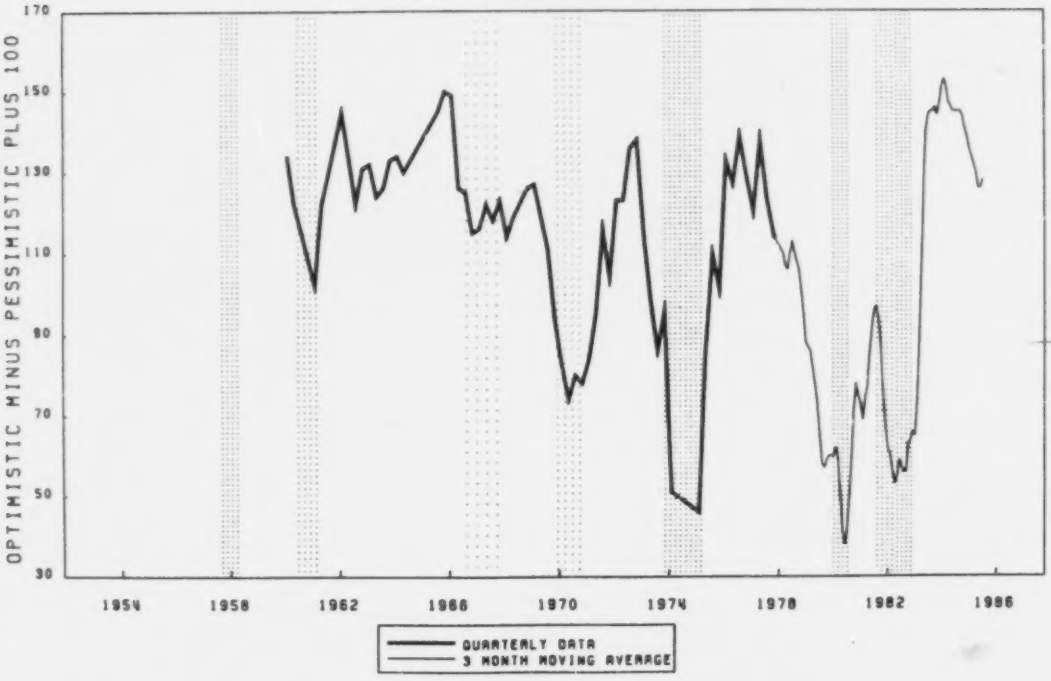


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	July 1984	Aug. 1984	Sept 1984	Oct. '984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
TREND:													
Continuous increase (a)	25%	25%	27%	24%	28%	27%	21%	26%	22%	21%	18%	22%	19%
Intermittent increase (b)	38	36	35	36	32	32	36	31	33	29	34	34	36
Remain unchanged (c)	4	6	6	5	6	7	8	7	9	11	8	9	9
Intermittent decline (d)	12	10	11	12	14	13	17	15	15	18	18	17	16
Continuous decline (e)	6	5	6	8	7	8	9	8	9	8	11	8	10
Mixed change (f)	9	12	10	10	9	9	7	9	8	8	8	6	6
DK,NA	6	6	5	5	4	4	2	4	4	5	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

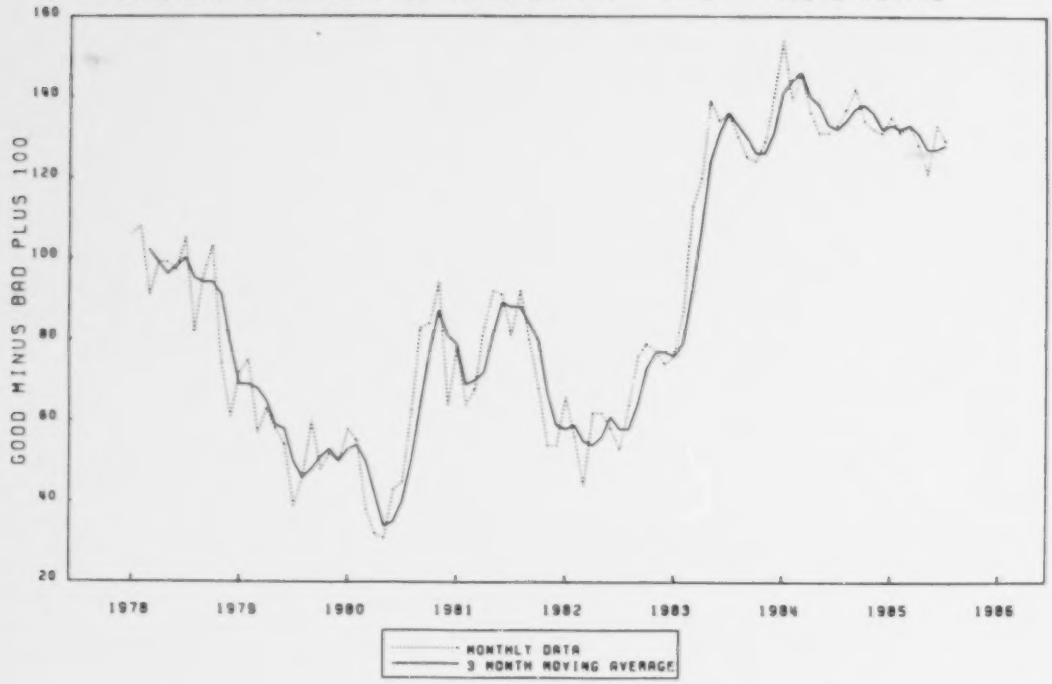


CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

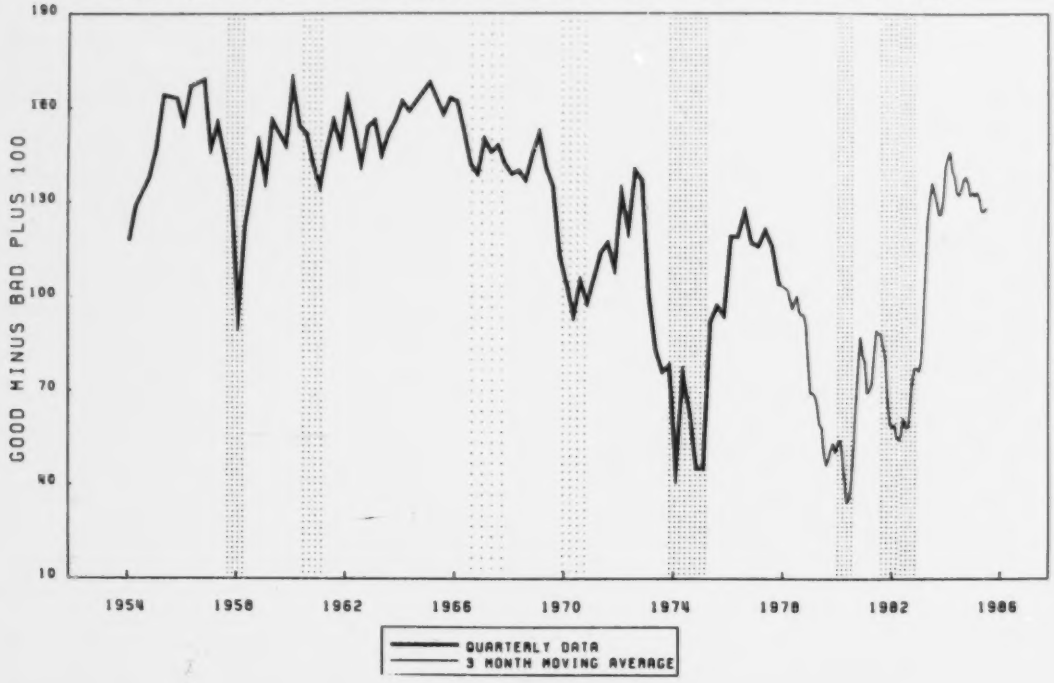


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
GOOD TIMES	61%	62%	66%	60%	59%	59%	63%	62%	62%	58%	55%	59%	58%
UNCERTAIN; GOOD & BAD	2	3	3	4	3	3	4	2	2	3	1	3	3
BAD TIMES	28	25	24	26	27	28	28	31	29	30	34	26	29
DON'T KNOW	6	7	6	6	7	7	4	3	5	6	6	5	7
NOT ASCERTAINED	3	3	1	4	4	3	1	2	2	3	4	7	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

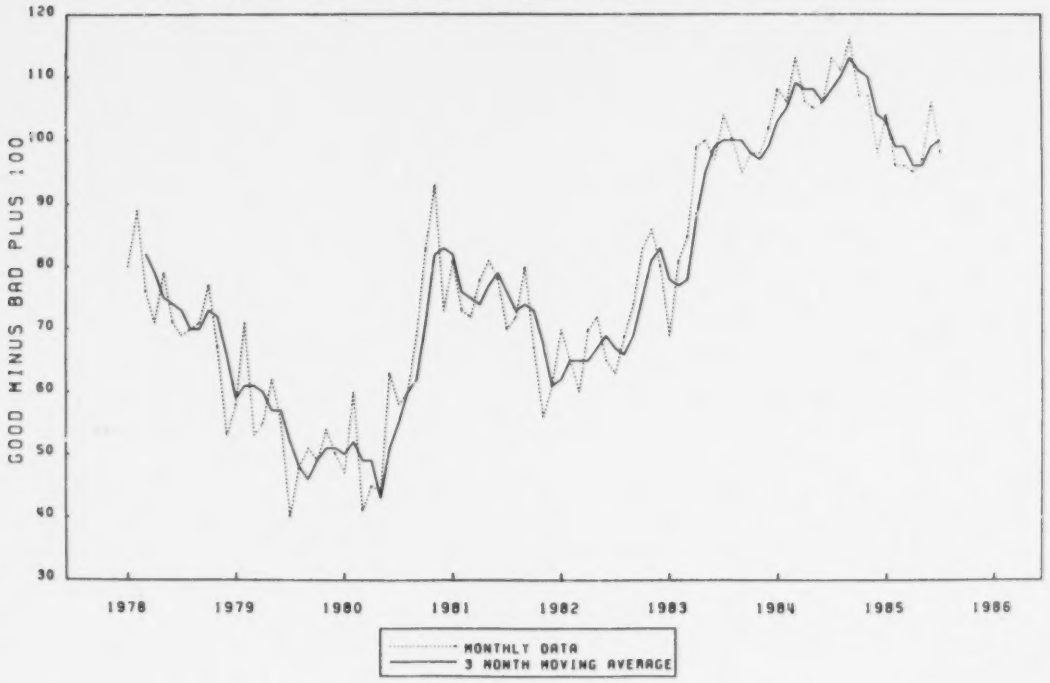


CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

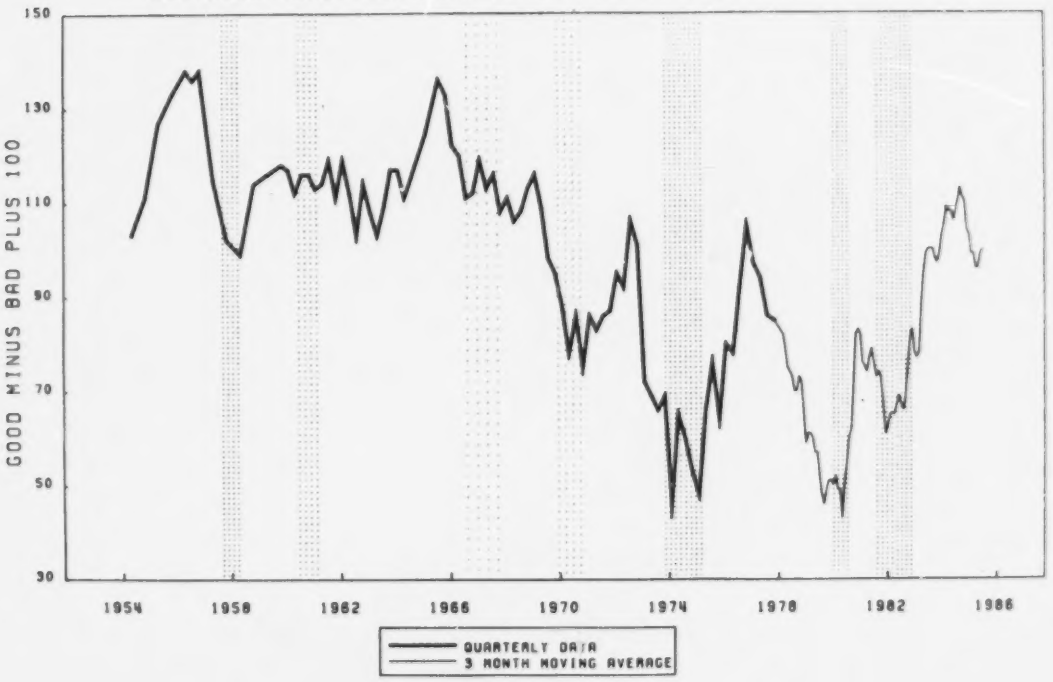


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
GOOD TIMES	44%	47%	47%	43%	42%	39%	43%	41%	40%	39%	40%	43%	41%
UNCERTAIN; GOOD & BAD	19	13	17	17	17	15	15	11	13	14	14	17	13
BAD TIMES	31	36	31	36	35	41	39	45	44	44	43	37	43
NOT ASCERTAINED	6	4	5	4	6	5	3	3	3	3	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

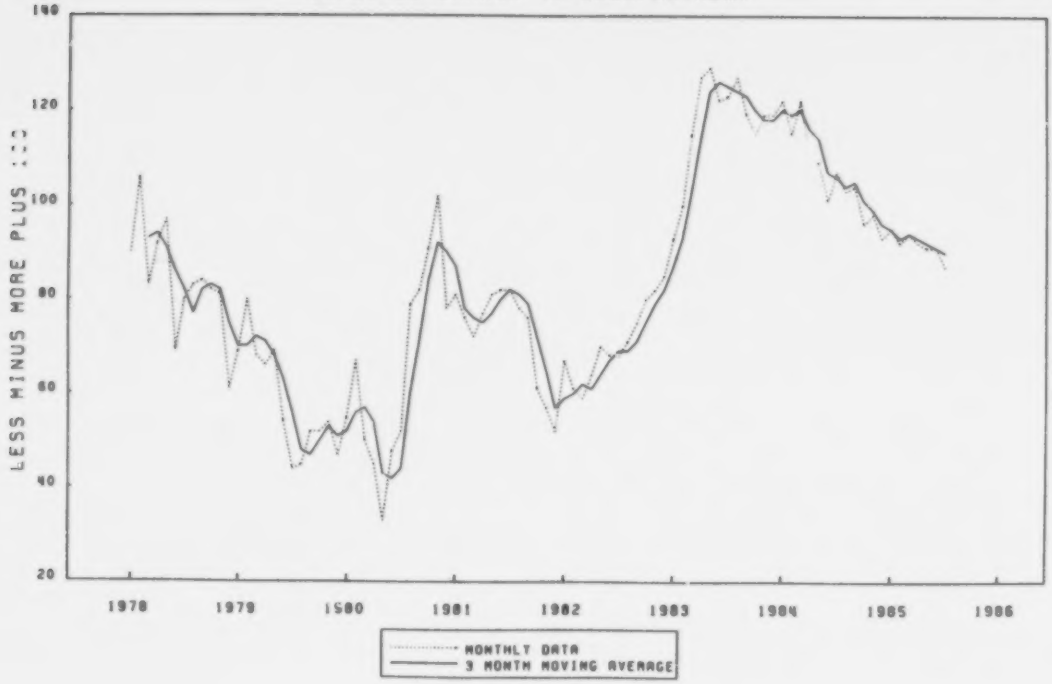


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

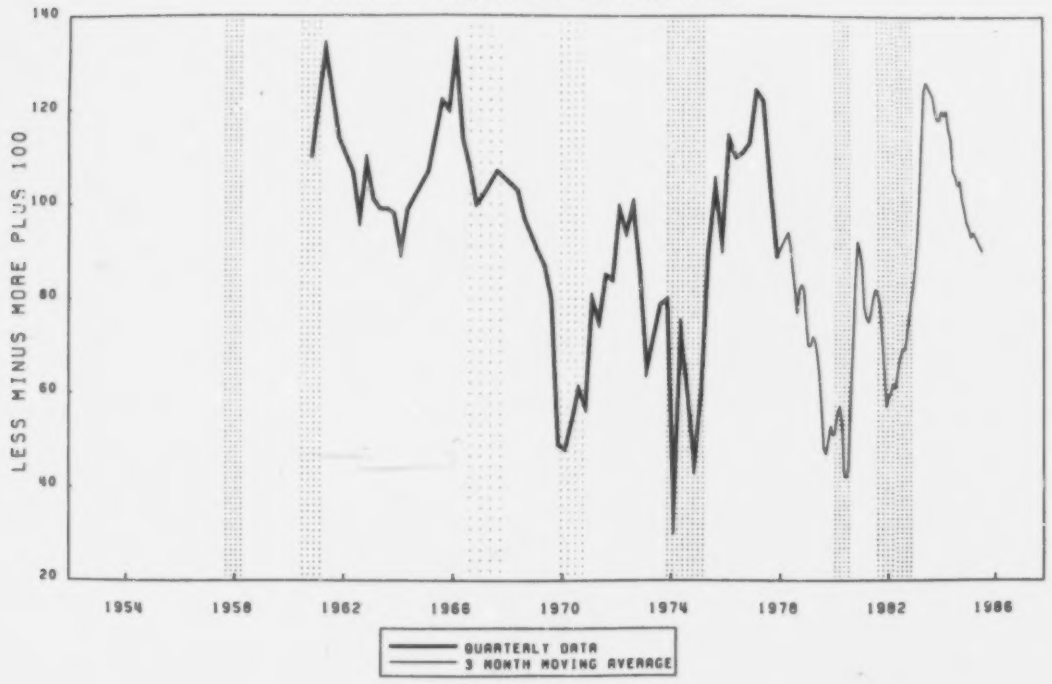


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
LESS	26%	24%	26%	20%	22%	21%	20%	20%	23%	20%	19%	16%	14%
SAME	53	54	50	54	52	50	54	50	47	50	52	58	58
MORE	19	21	22	24	24	28	25	28	29	28	28	25	27
DK,NA	2	1	2	2	2	1	1	2	1	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

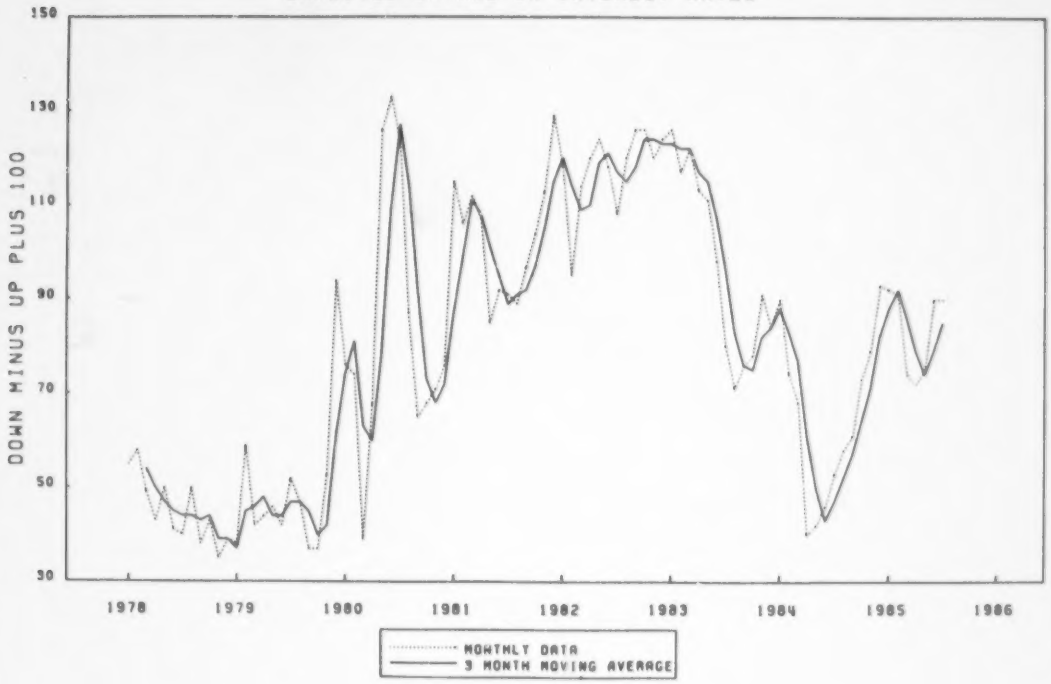


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

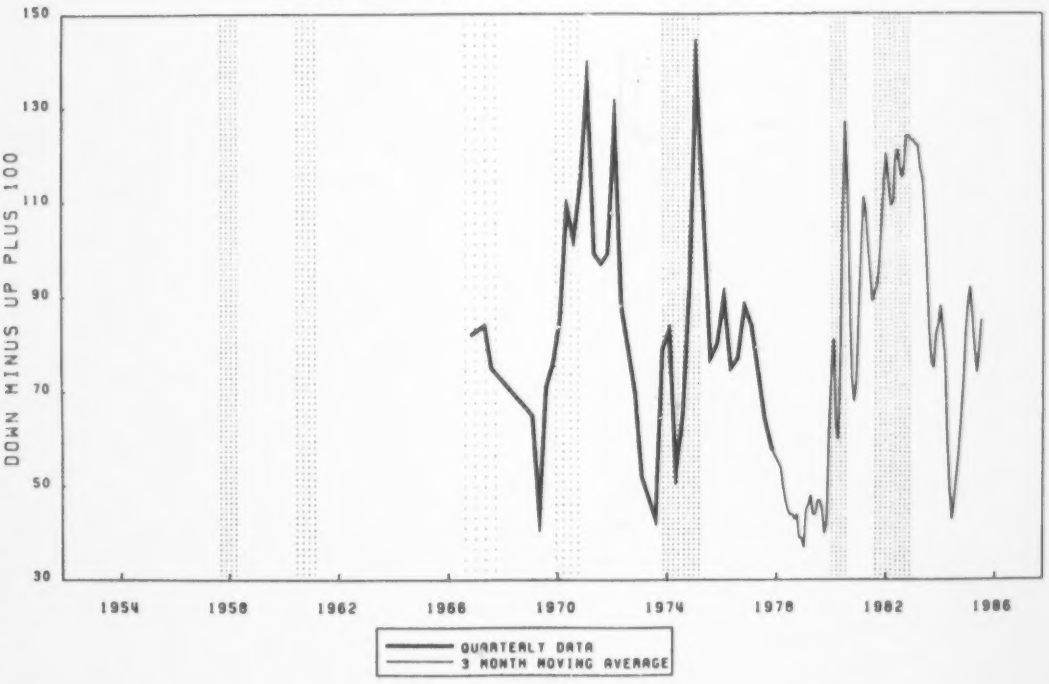


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
GO UP	58%	55%	52%	45%	44%	37%	36%	35%	45%	47%	44%	36%	35%
STAY THE SAME	27	29	32	33	31	30	33	37	32	31	34	36	38
GO DOWN	11	13	13	18	23	30	28	26	19	19	19	26	25
DK,NA	4	3	3	4	2	3	3	2	4	3	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22 - RECENT CHANGES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

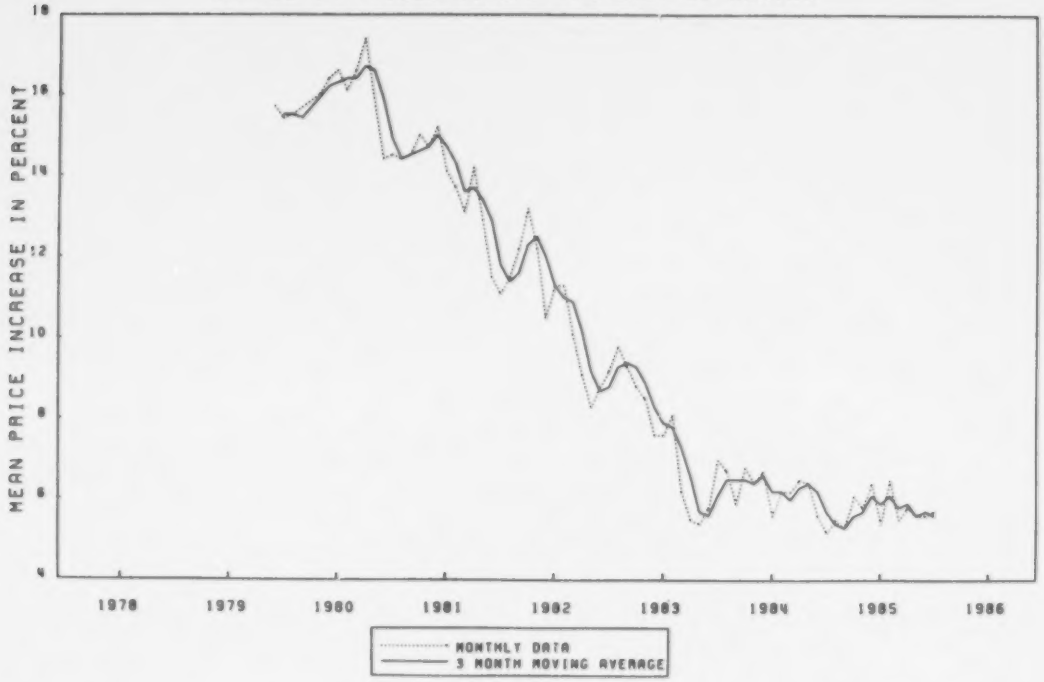


CHART 22 - HISTORICAL SERIES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

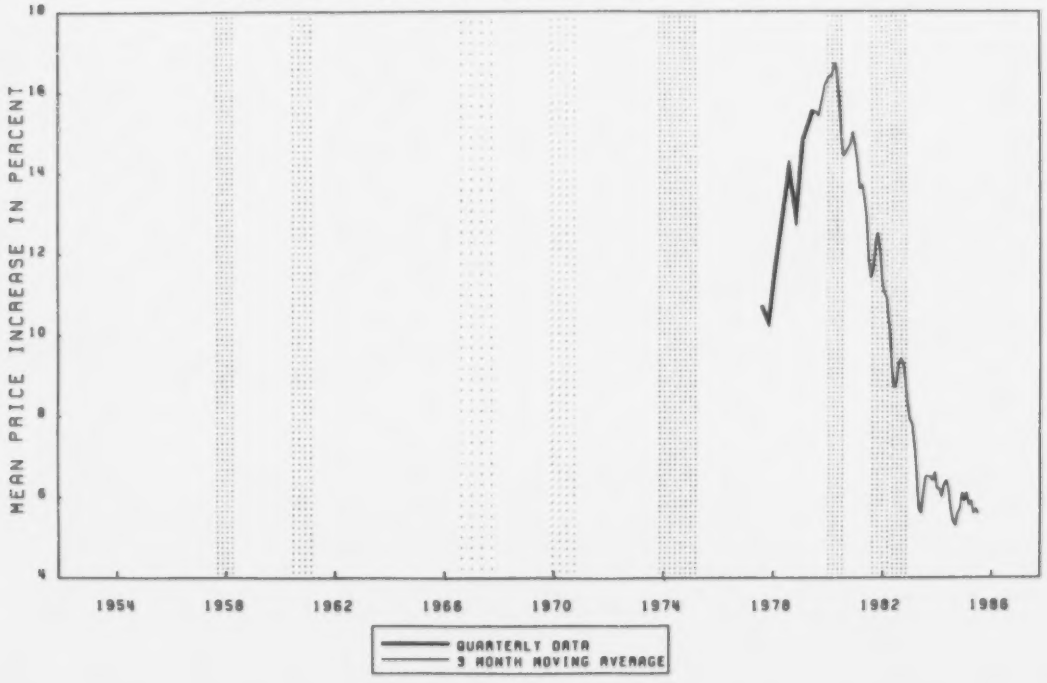


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
SAME OR DOWN	27%	29%	29%	28%	27%	24%	25%	25%	28%	24%	23%	24%	25%
GONE UP BY:													
1-2%	8	10	9	9	11	9	11	11	11	10	13	12	13
3-4%	17	12	16	15	15	14	17	16	18	17	18	18	16
5%	16	18	16	13	14	18	17	13	14	16	16	13	16
6-9%	8	8	7	7	5	6	7	8	5	8	7	9	6
10-14%	11	11	9	11	11	11	10	11	10	13	9	11	11
15% or more	8	7	8	11	10	10	8	11	9	8	9	9	7
DK how much up	4	5	6	5	6	7	5	4	5	4	4	3	5
DK,NA	1	*	*	1	1	1	*	1	*	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.2	5.5	5.3	6.1	5.8	6.4	5.4	6.5	5.5	5.8	5.6	5.6	5.7
VARIANCE	48	75	63	84	76	86	66	93	72	64	72	61	82
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

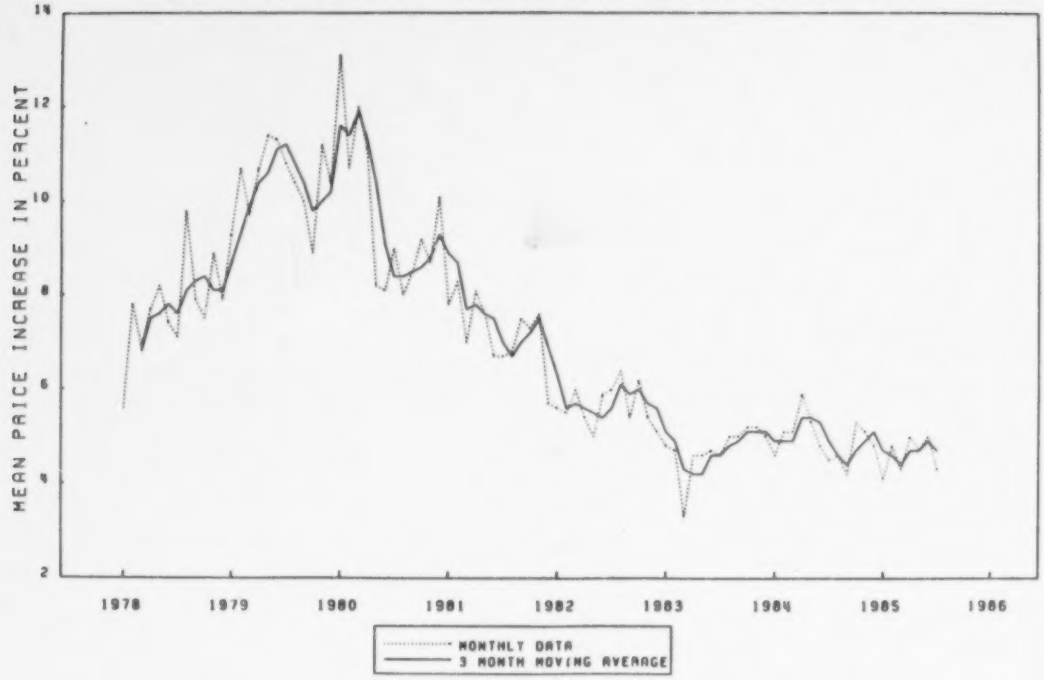


CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

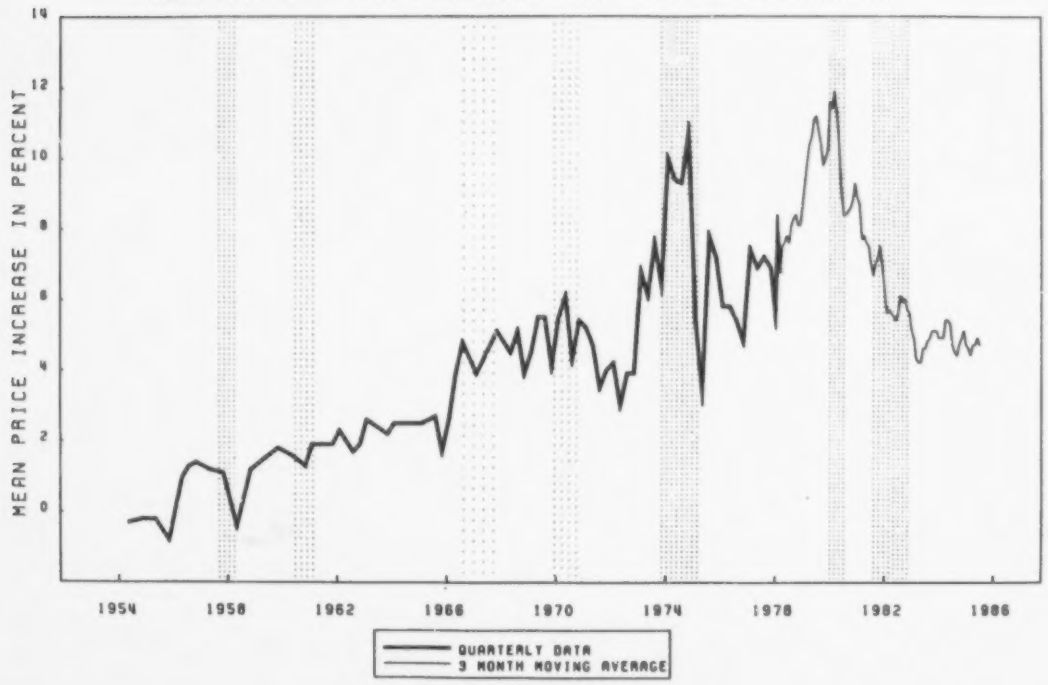


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
SAME OR DOWN	23%	24%	24%	22%	23%	25%	26%	25%	26%	22%	20%	19%	24%
WILL GO UP BY:													
1-2%	13	18	16	13	14	13	16	14	15	13	17	16	19
3-4%	17	15	19	15	17	17	20	19	19	20	20	21	20
5%	20	18	14	18	18	16	15	15	15	16	20	19	14
6-9%	8	6	8	9	6	9	6	6	6	8	6	6	8
10-14%	8	8	8	10	9	9	7	10	9	11	7	9	6
15% or more	5	5	4	7	7	5	4	6	6	6	6	6	4
DK how much up	3	5	4	4	4	4	4	4	4	3	2	2	4
DK,NA	3	1	3	2	2	2	2	1	*	1	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.5	4.6	4.2	5.3	5.1	4.8	4.1	4.8	4.3	5.0	4.7	5.0	4.3
VARIANCE	33	46	36	53	47	44	36	51	34	44	46	51	49
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

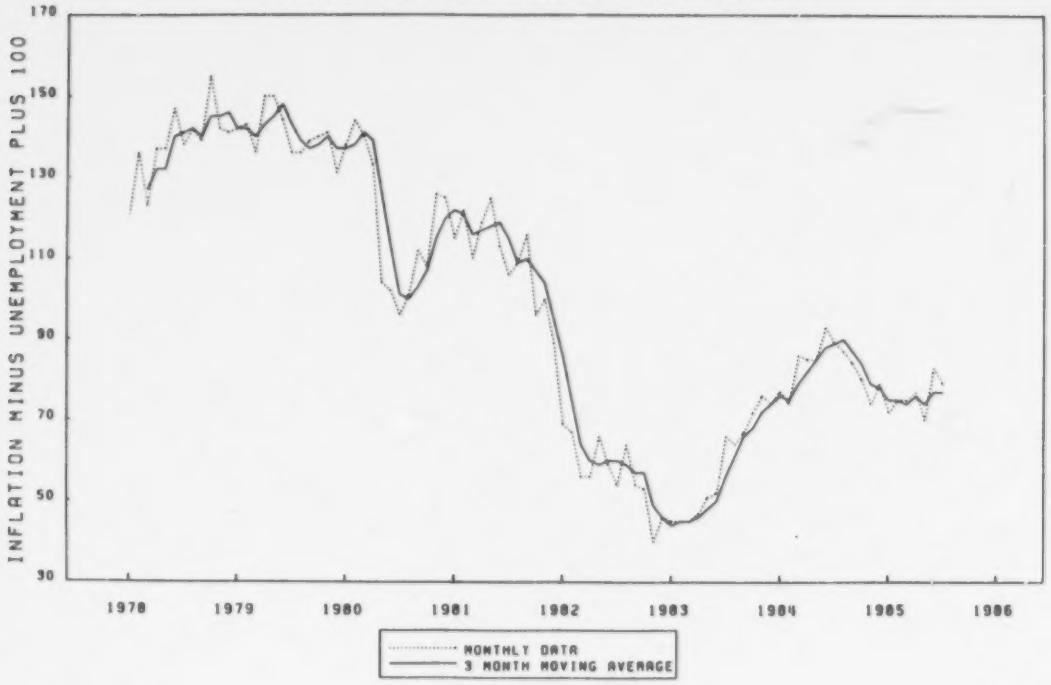


CHART 24 - HISTORICAL SERIES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

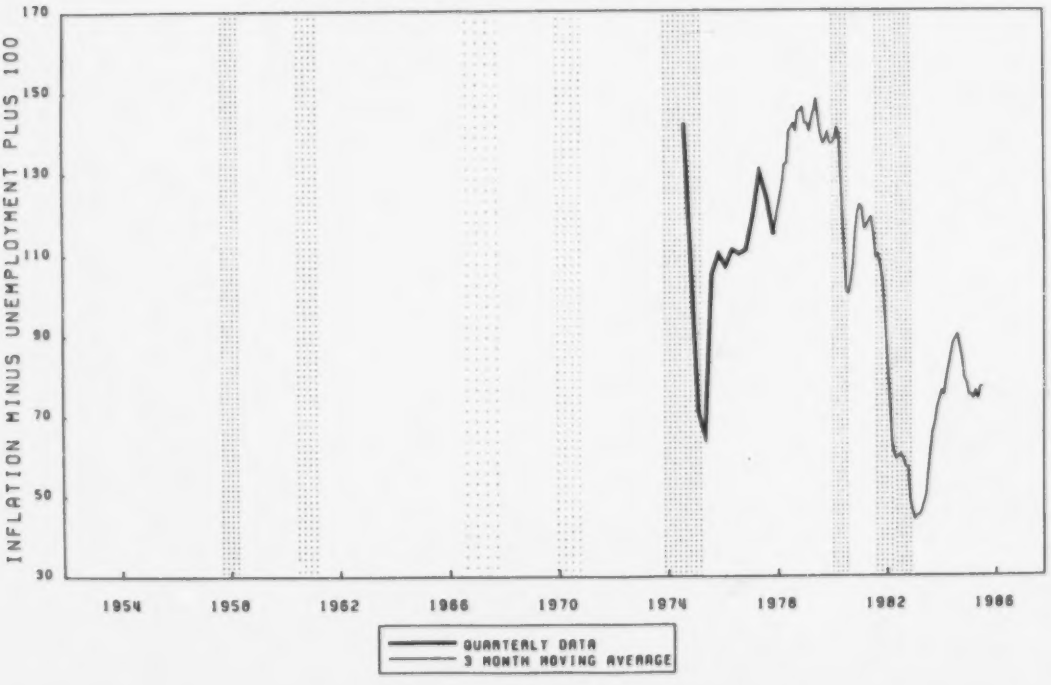


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
UNEMPLOYMENT	51%	52%	54%	55%	59%	56%	60%	58%	59%	57%	61%	55%	57%
BOTH EQUALLY SERIOUS	7	6	5	8	7	6	6	5	5	6	6	4	5
INFLATION	40	39	38	35	33	35	32	33	34	34	31	38	36
DK,NA	2	3	3	2	1	3	2	4	2	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES.
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

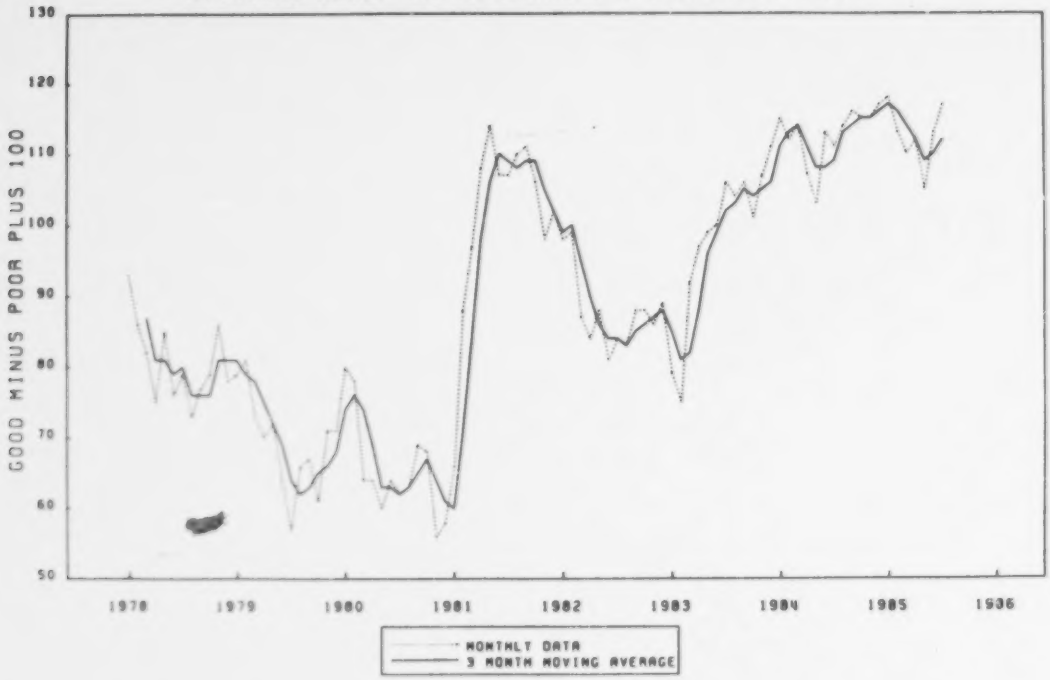


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

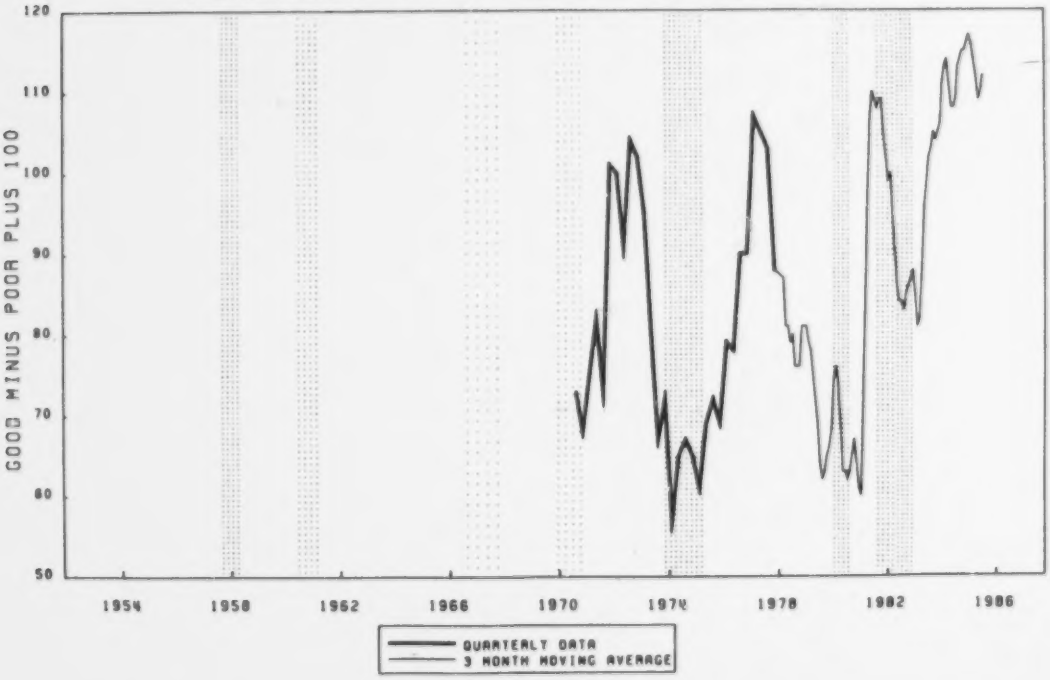


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
A GOOD JOB	30%	33%	35%	36%	32%	33%	34%	33%	32%	30%	26%	29%	31%
ONLY FAIR	48	46	44	41	50	49	49	46	43	50	51	53	52
A POOR JOB	19	19	19	21	17	16	16	20	22	18	21	16	14
DK,NA	3	2	2	2	1	2	1	1	3	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

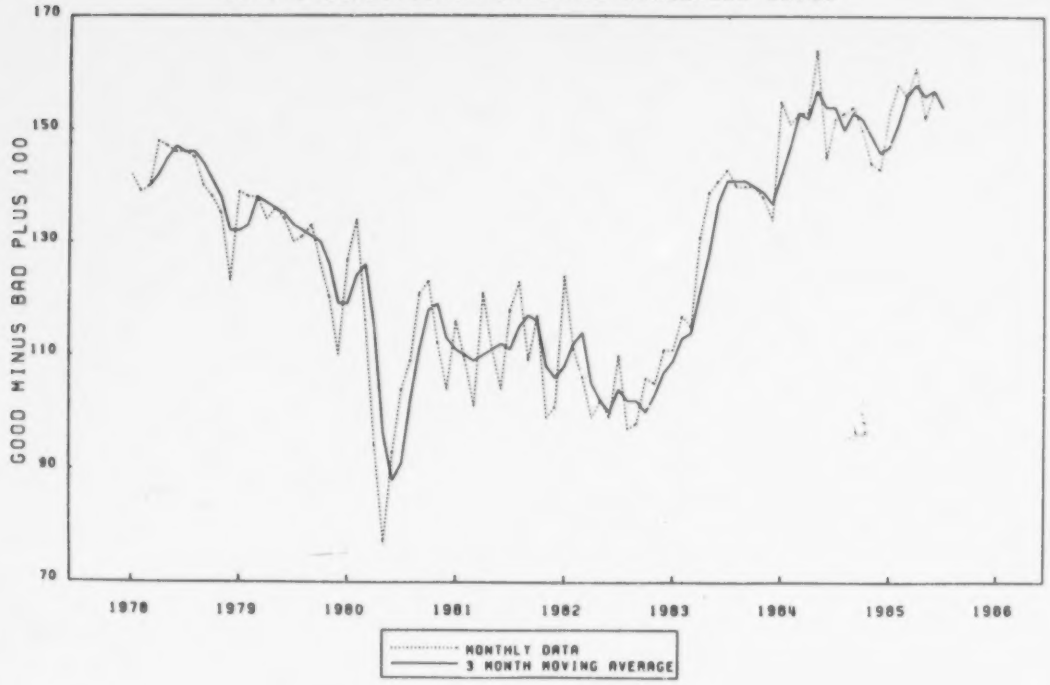


CHART 26 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

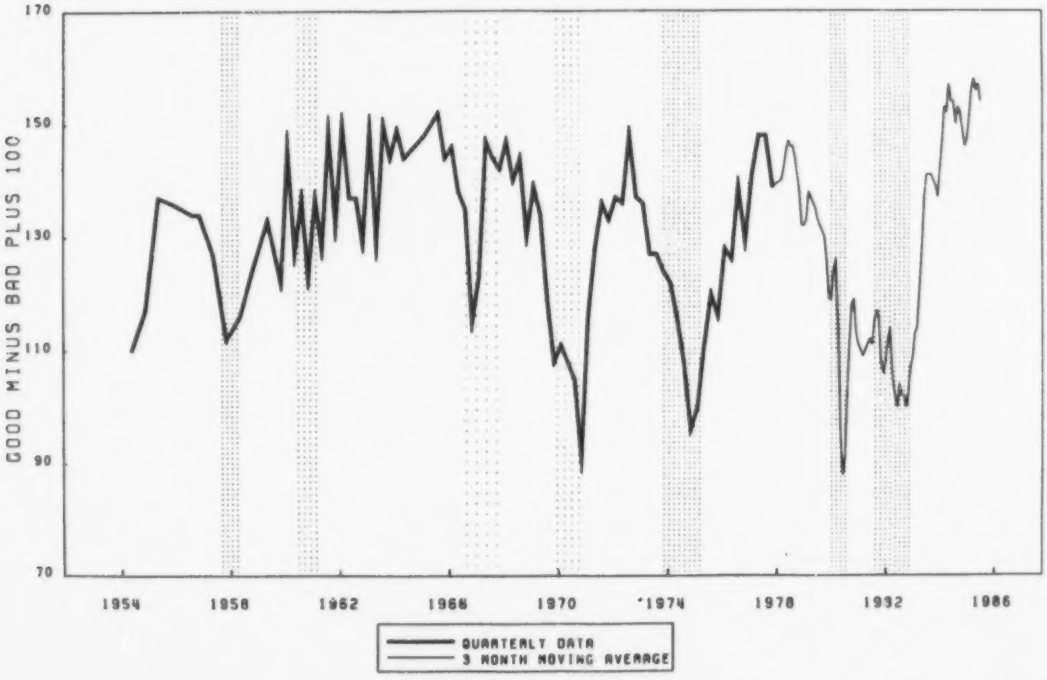


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
GOOD TIME TO BUY	71%	72%	72%	70%	67%	67%	73%	75%	74%	77%	72%	74%	74%
UNCERTAIN, DEPENDS	10	9	10	10	10	9	7	8	8	7	8	9	6
BAD TIME TO BUY	19	19	18	20	23	24	20	17	18	16	20	17	20
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

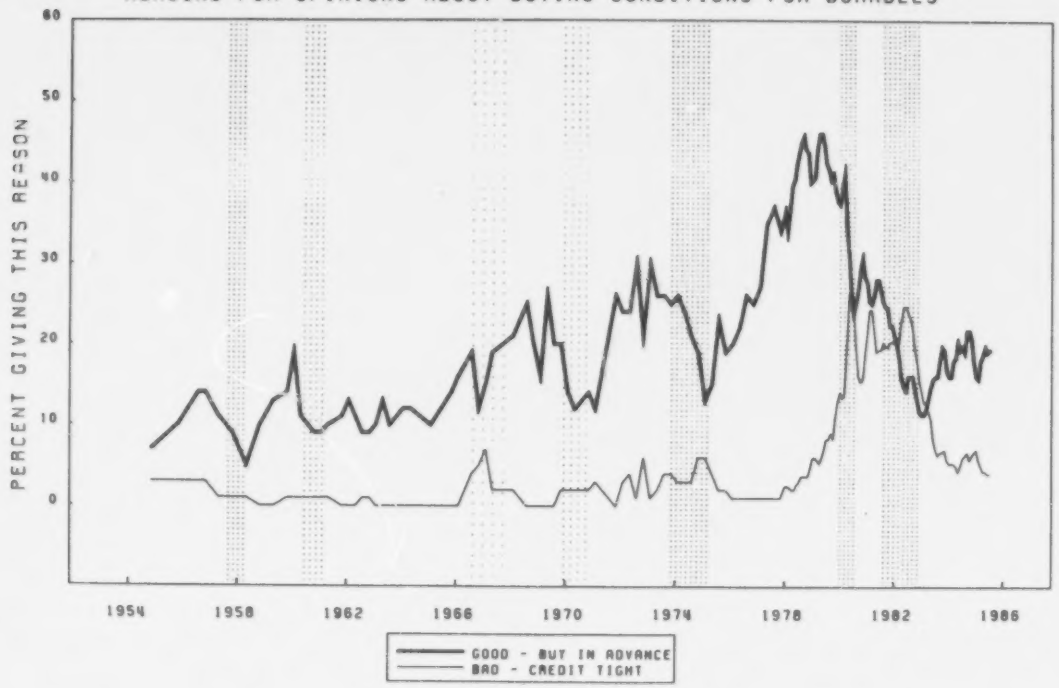


CHART 27B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

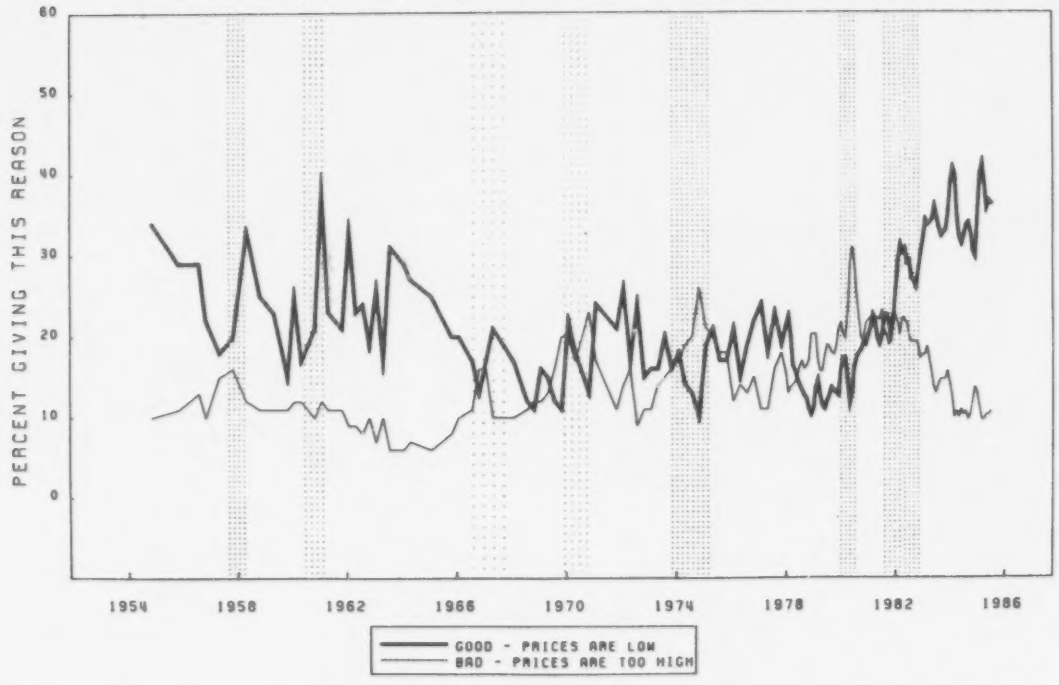


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	33%	35%	34%	29%	28%	32%	45%	43%	36%	37%	34%	39%	36%
Prices won't come down; are going higher	21	20	24	21	17	15	16	16	22	18	19	20	19
Interest rates low; credit is easy	10	8	8	11	11	10	11	11	10	13	11	13	14
BAD TIME TO BUY:													
Prices are high	10	9	10	12	14	15	10	9	10	10	11	10	11
Interest rates are high; credit is tight	8	6	6	5	8	7	6	4	5	4	4	4	4
Lack of purchasing power	5	7	7	7	7	7	10	6	7	6	9	7	6

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

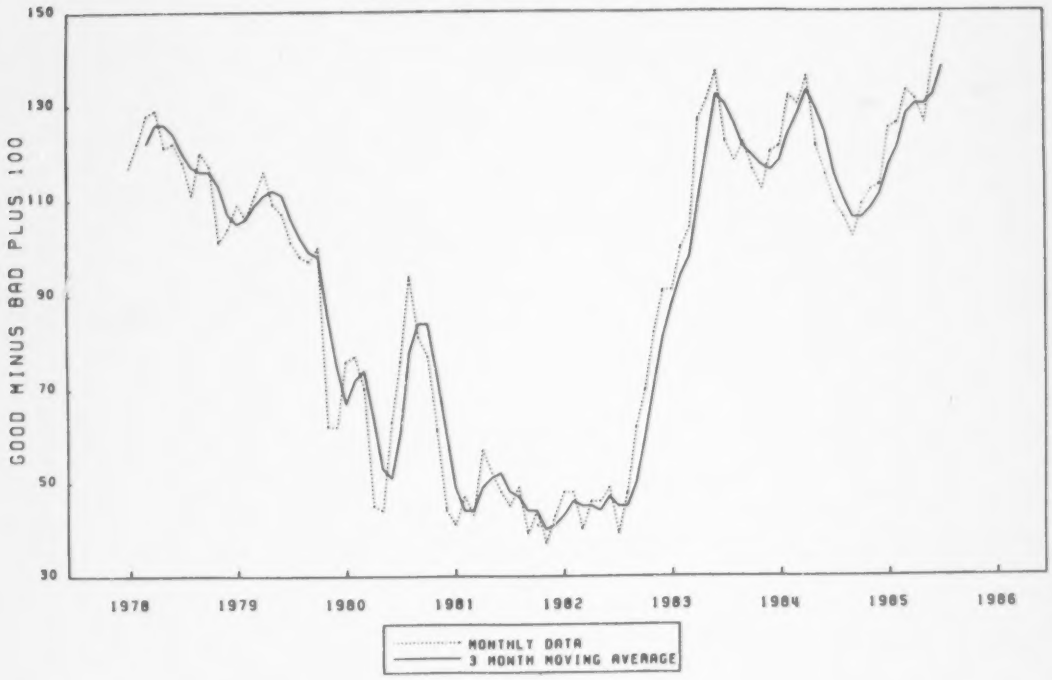


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

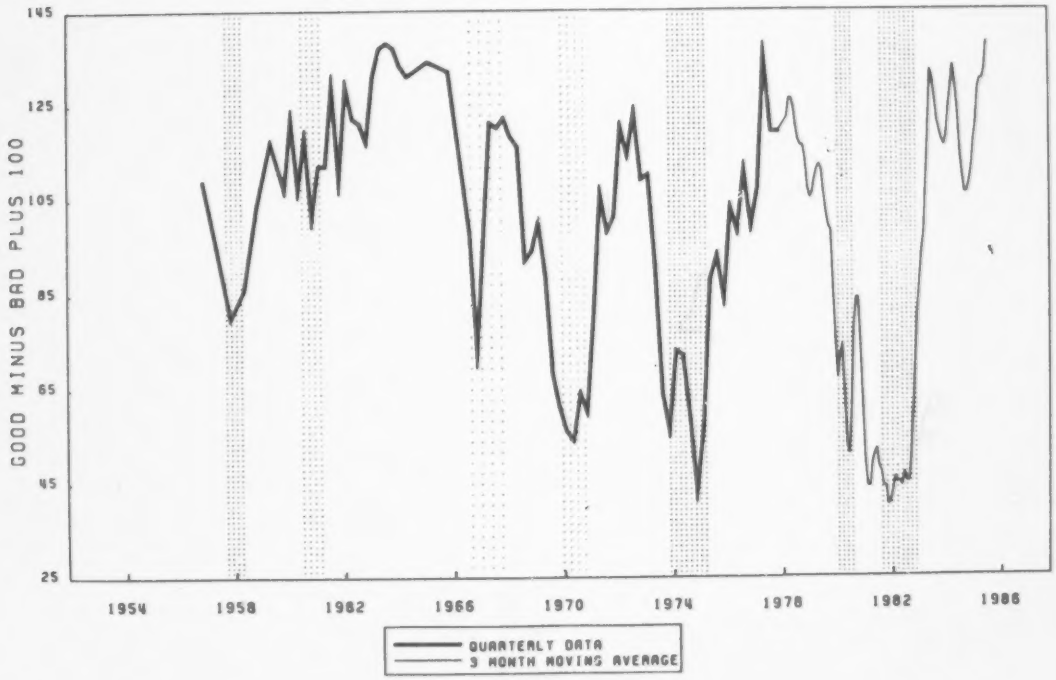


TABLE 28

BUYING CONDITIONS FOR HOUSES

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
GOOD TIME TO BUY	52%	50%	48%	52%	54%	54%	61%	61%	64%	64%	61%	67%	73%
UNCERTAIN, DEPENDS	5	6	6	5	4	5	3	4	5	3	4	6	3
BAD TIME TO BUY	43	44	46	43	42	41	36	35	31	33	35	27	24
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

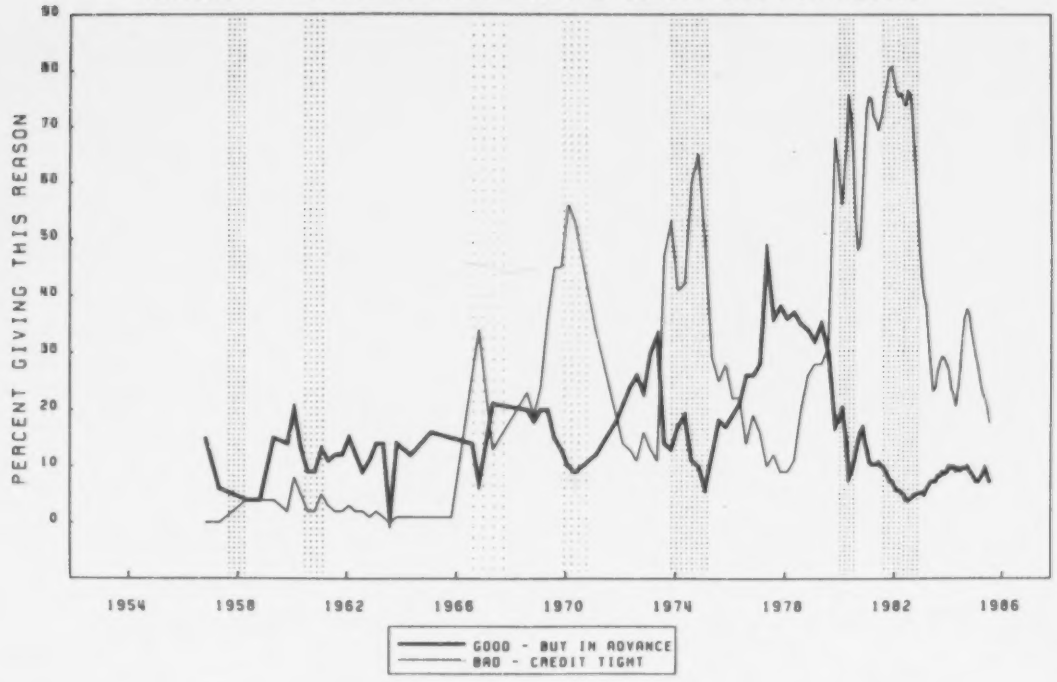


CHART 29B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

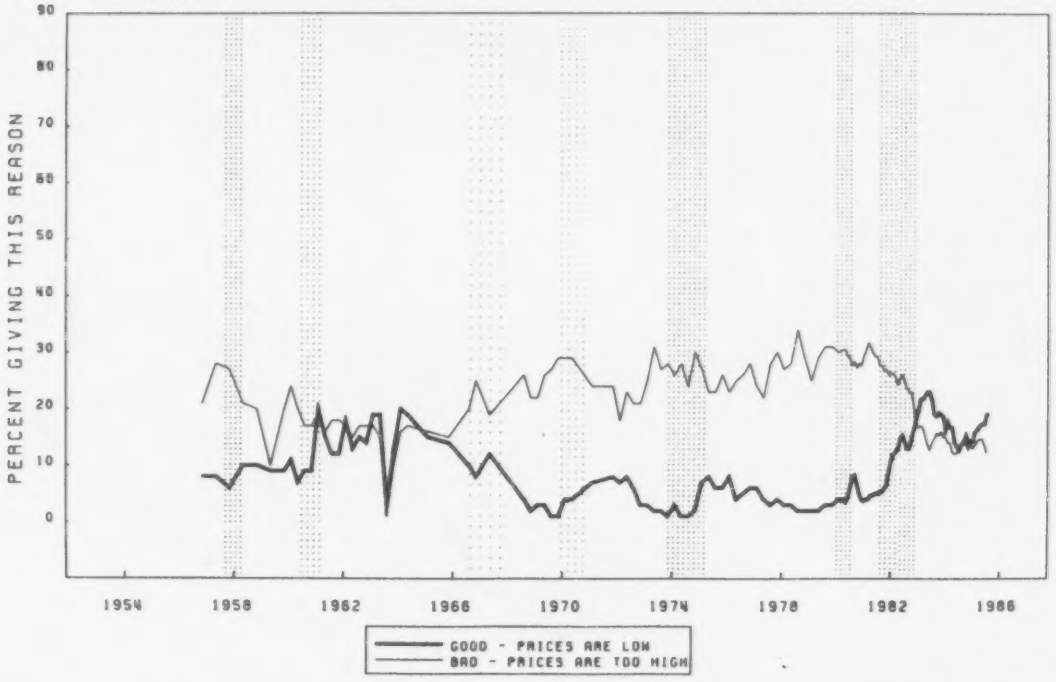


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	13%	15%	14%	15%	11%	17%	15%	16%	18%	17%	17%	18%	22%
Prices won't come down; are going higher	11	9	10	9	7	8	7	7	10	9	10	7	5
Interest rates low; credit is easy	37	35	34	35	44	38	49	50	48	47	43	56	57
Good investment	5	4	7	5	7	5	6	6	7	6	6	6	5
BAD TIME TO BUY:													
Prices are high	12	16	16	16	12	13	14	14	15	15	14	12	11
Interest rates are high; credit is tight	36	40	37	33	31	30	27	25	22	21	23	17	13
Lack of purchasing power	11	11	11	10	13	13	12	11	9	12	16	9	11

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

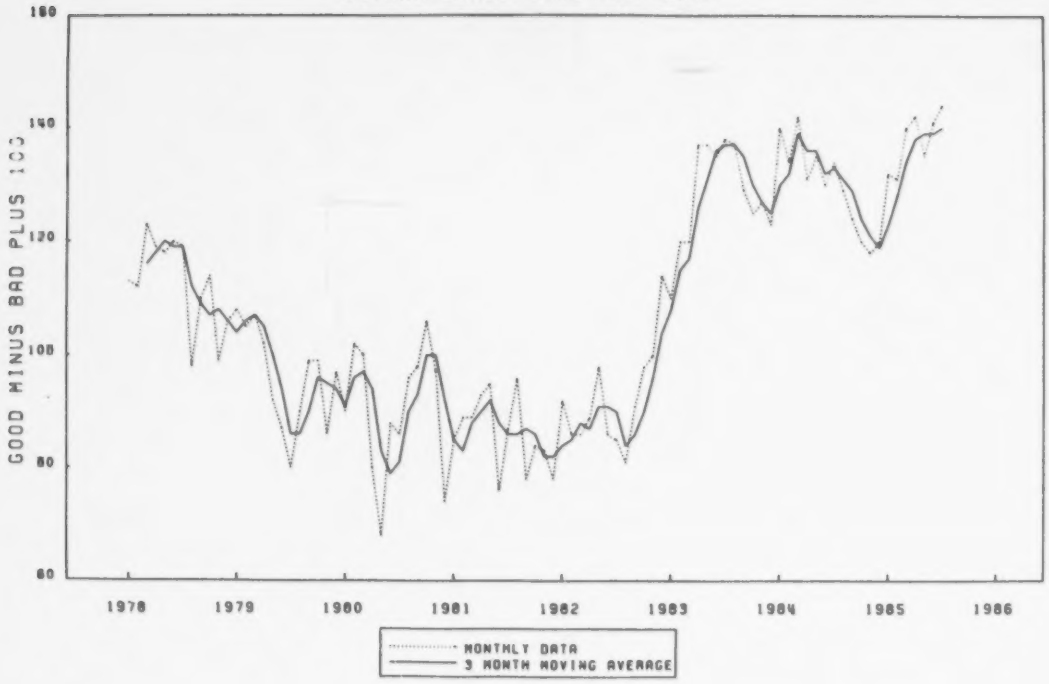


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

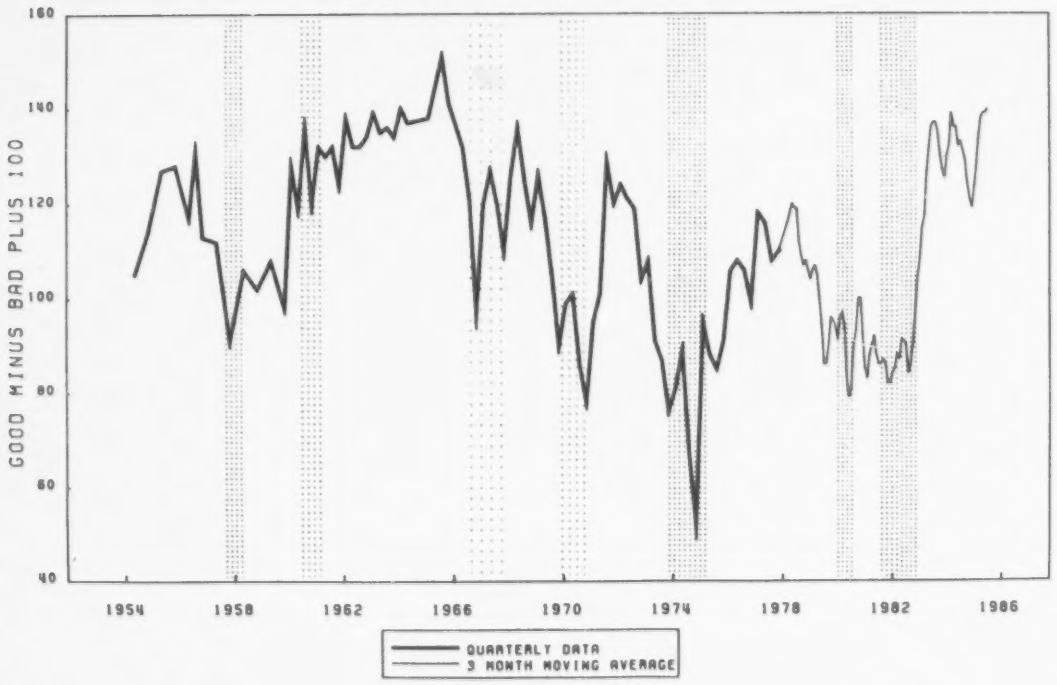


TABLE 30

BUYING CONDITIONS FOR CARS

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
GOOD TIME TO BUY	62%	59%	59%	54%	55%	55%	62%	61%	67%	68%	65%	67%	67%
UNCERTAIN; DEPENDS	10	11	6	12	8	10	8	9	6	6	5	7	10
BAD TIME TO BUY	28	30	35	34	37	35	30	30	27	26	30	26	23
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

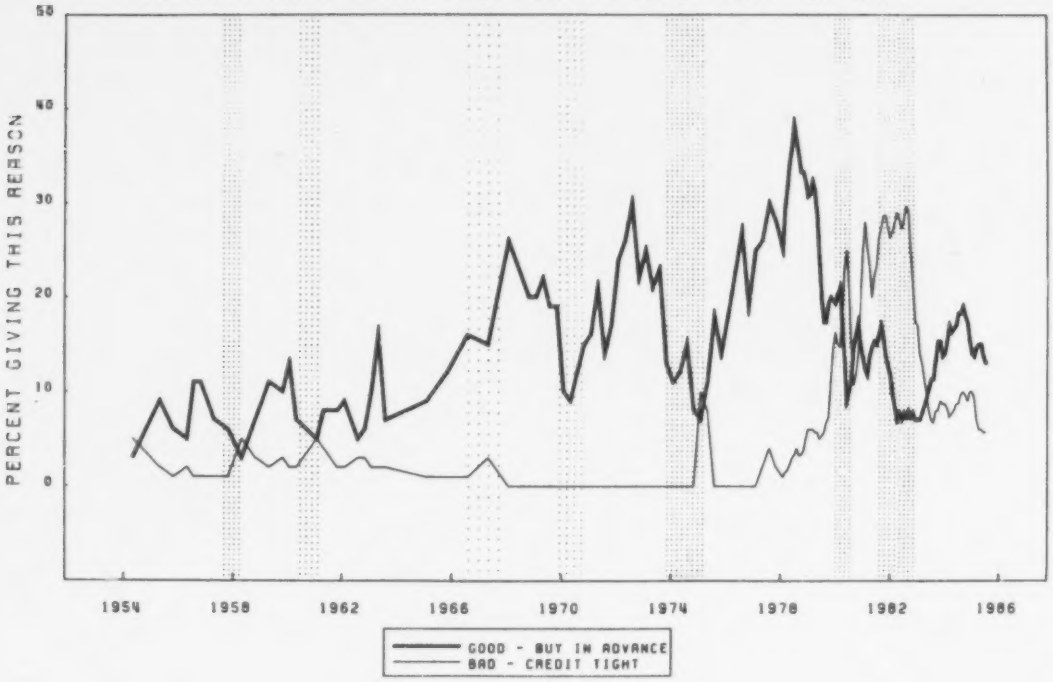


CHART 31B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

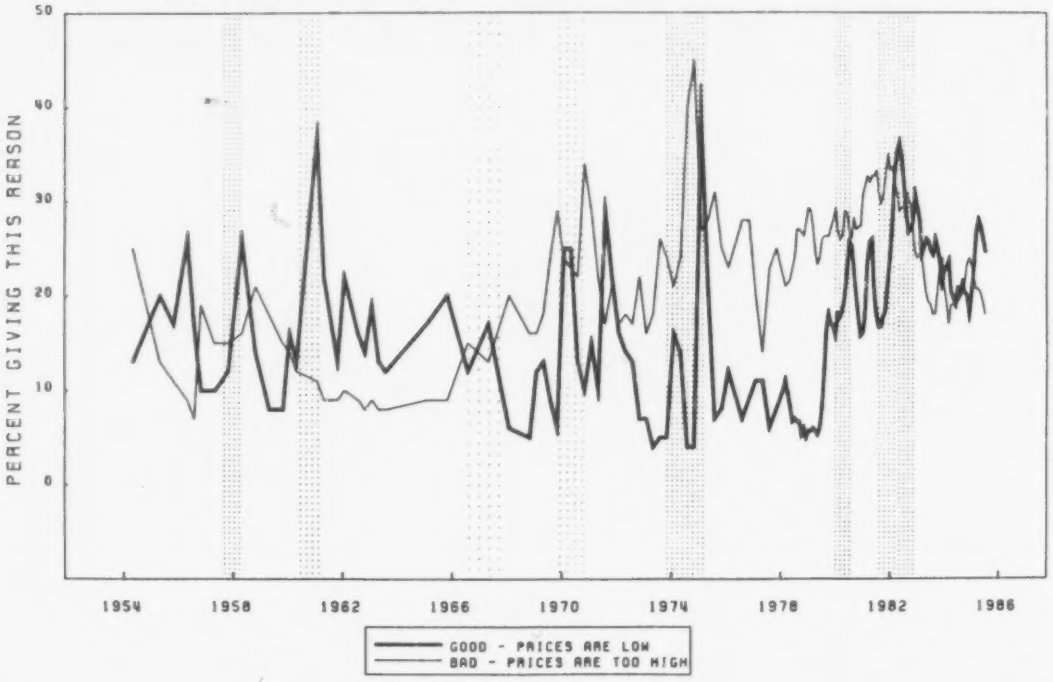


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	19%	24%	18%	18%	18%	24%	26%	30%	28%	24%	26%	24%
Prices won't come down; are going higher	20	17	20	17	15	14	13	14	17	14	14	13	12
Interest rates low; credit is easy	24	17	15	14	18	15	23	24	23	25	28	35	35
New fuel efficient models	1	2	1	2	*	2	*	1	1	1	1	1	1
BAD TIME TO BUY:													
Prices are high	20	19	22	23	25	24	21	21	20	21	20	17	17
Interest rates are high: credit is tight	9	12	9	8	10	12	8	8	5	5	8	4	5
Lack of purchasing power	4	5	6	6	8	7	7	6	6	4	6	6	6
Price of gas; shortages	*	1	*	*	*	*	*	*	*	*	*	*	*
Poor selection; quality	4	4	3	3	5	4	4	4	3	4	3	4	3

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 32 - RECENT CHANGES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

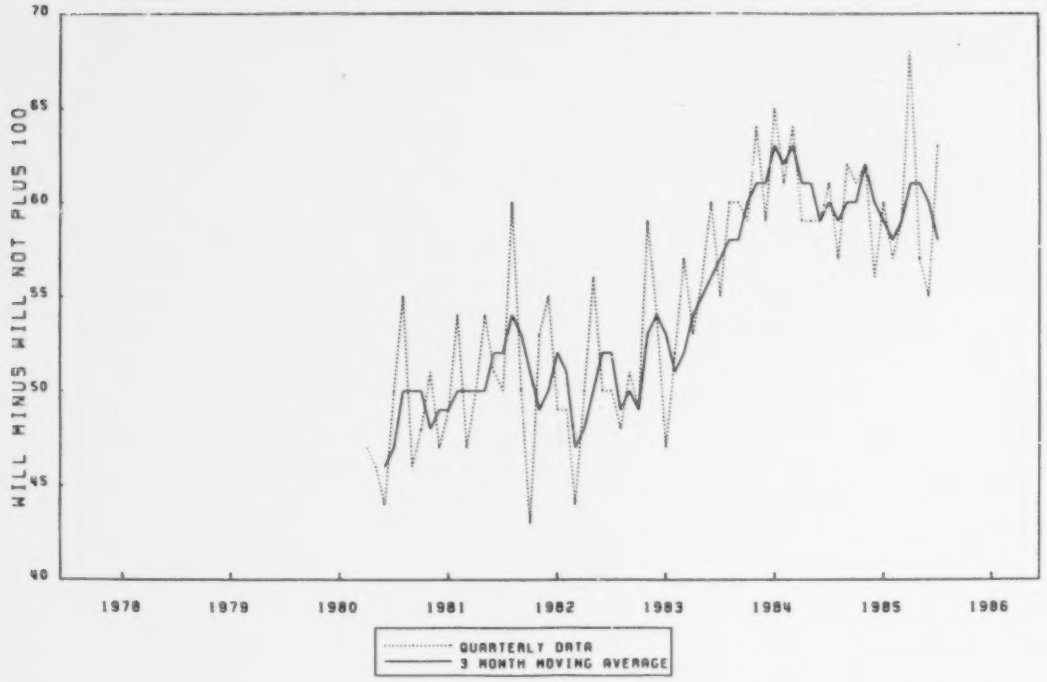


CHART 32 - HISTORICAL SERIES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

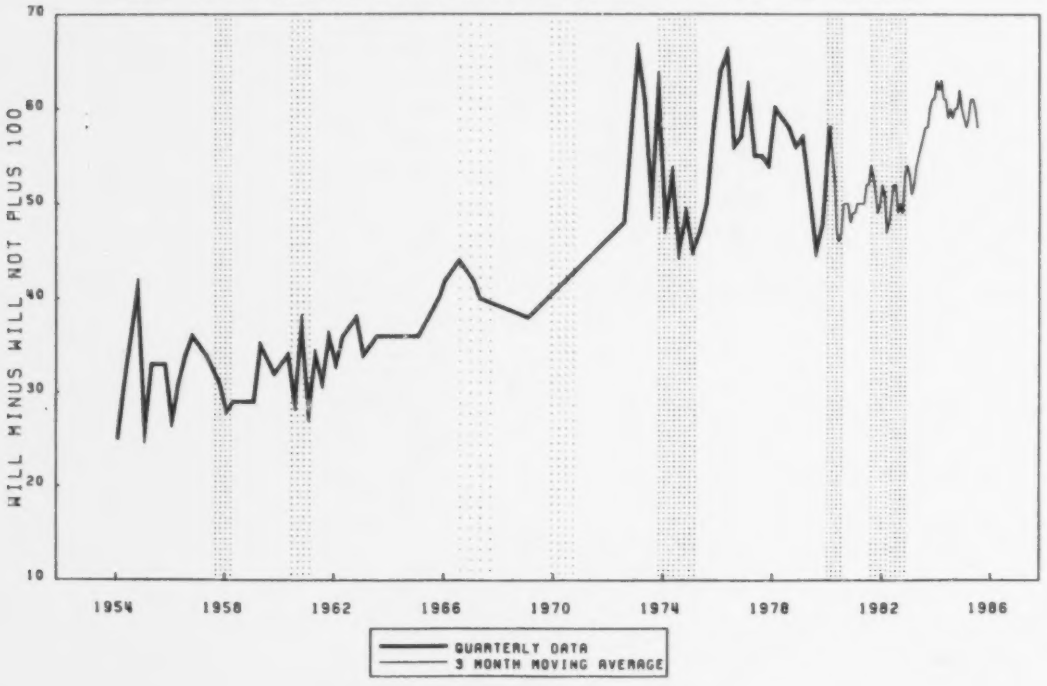


TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
PROBABLY WILL BUY	20%	21%	22%	21%	21%	19%	20%	19%	20%	24%	18%	19%	22%
CHANCES ARE EVEN	9	7	8	8	9	9	9	9	8	7	9	7	7
PROBABLY WILL NOT BUY	59	64	60	60	59	63	60	62	61	56	61	64	59
DK,NA	12	8	10	11	11	9	11	10	11	13	12	10	12
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	693	690	706	710	704	640	655	653	675	661	652	641

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	29%	28%	30%	29%	30%	28%	29%	28%	28%	31%	27%	26%	29%
PURCHASE TYPE:													
Buy new	15	15	14	15	15	13	17	15	14	17	14	14	14
Buy used	12	11	13	12	13	13	11	11	13	12	12	10	14
Lease	2	1	2	2	1	1	1	1	1	1	1	2	1
DK,NA	*	1	1	*	1	1	*	1	*	1	*	*	*
PURCHASE TIMING:													
Next 3 months	7	3	1	6	5	3	5	4	2	8	5	1	9
Next 4-6 months	6	5	8	6	7	6	8	9	8	9	7	8	5
Next 7-9 months	3	4	5	7	7	10	7	8	11	6	7	6	5
10 months or more	7	8	10	4	8	7	5	4	5	3	5	6	6
DK,NA	6	8	6	6	3	2	4	3	2	5	3	5	4

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	59%	64%	60%	60%	59%	63%	60%	62%	61%	56%	61%	64%	59%
PURCHASE TYPE:													
Would buy new	35	33	34	31	33	34	35	32	35	34	36	37	35
Would buy used	22	29	25	27	25	28	25	28	25	21	25	26	24
DK,NA	2	2	1	2	1	1	*	2	1	1	*	1	*
PURCHASE TIMING:													
Less than 2 years	5	8	5	7	7	7	8	9	6	5	7	8	5
2 years	16	25	21	21	20	23	18	19	21	21	21	24	20
3 years	10	8	11	10	9	10	9	10	10	11	13	10	10
4 years or more	18	15	17	16	17	15	19	17	19	14	16	16	22
Indefinite	3	3	2	1	2	3	2	2	2	1	1	2	1
DK,NA	5	5	4	5	4	5	4	5	3	4	3	4	1

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

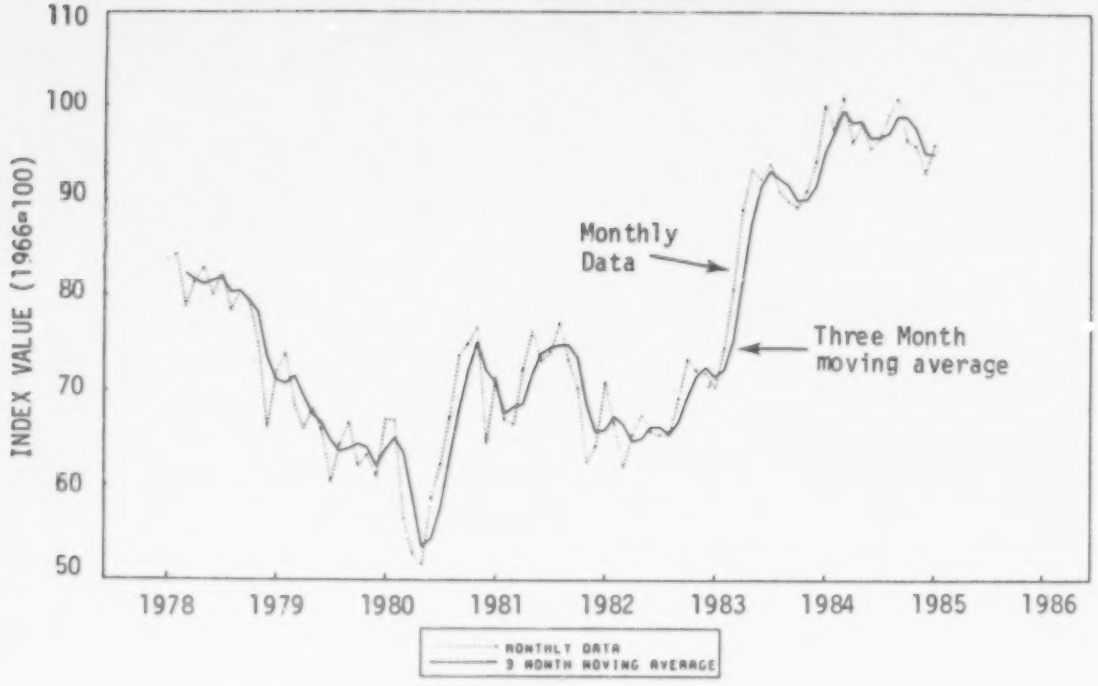
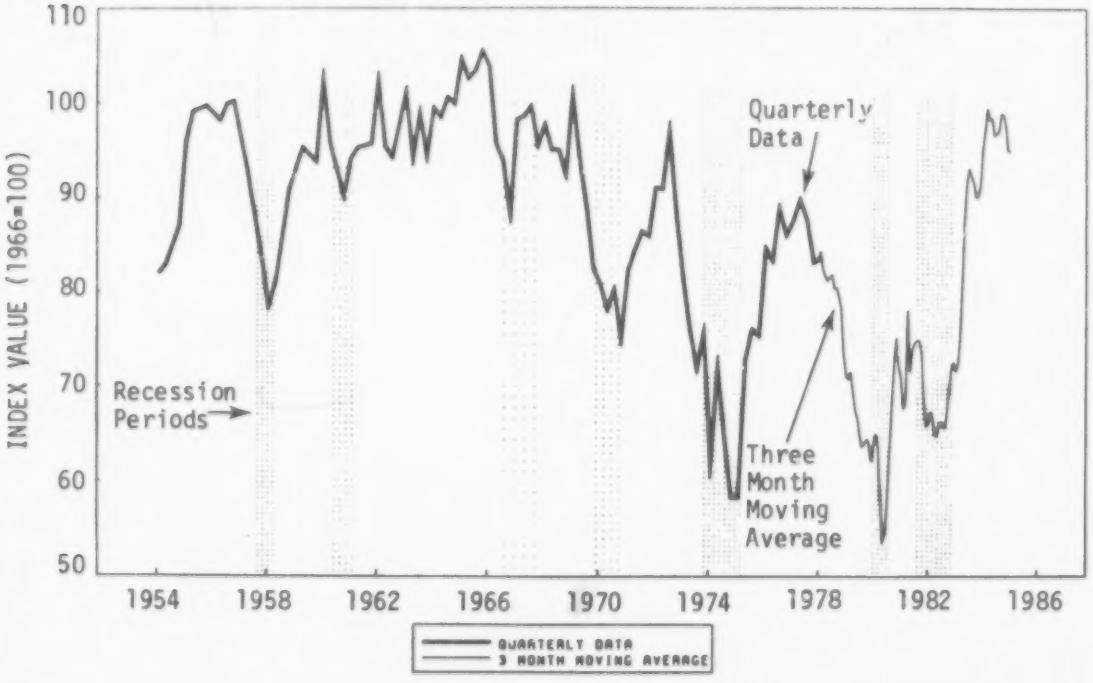


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November	1948	- October	1949
	July	1953	- May	1954
	August	1957	- April	1958
	April	1960	- February	1961
	June	1966	- November	1967*
	December	1969	- November	1970
	November	1973	- March	1975
	January	1980	- July	1980
	July	1981	- November	1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

[a]The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b]Average size of monthly surveys.

[c]Average size of two monthly surveys.

[d]Average size of three monthly surveys (one quarter).